

Hearing Date: March 22, 2007

Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

333 West Wacker Drive, Suite 2100

Chicago, Illinois 60606

(312) 407-0700

John Wm. Butler, Jr. (JB 4711)

John K. Lyons (JL 4951)

Ron E. Meisler (RM 3026)

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Four Times Square

New York, New York 10036

(212) 735-3000

Kayalyn A. Marafioti (KM 9632)

Thomas J. Matz (TM 5986)

Attorneys for Delphi Corporation, et al.,

Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:

Toll Free: (800) 718-5305

International: (248) 813-2698

Delphi Legal Information Website:

<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
	:	(Jointly Administered)
Debtors.	:	
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THIRD INTERIM APPLICATION OF SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP, COUNSEL TO DEBTORS-IN-POSSESSION, SEEKING
ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT
OF EXPENSES UNDER 11 U.S.C. §§ 330 AND 331

("THIRD SKADDEN INTERIM FEE APPLICATION")

Name of Applicant:	Skadden, Arps, Slate, Meagher & Flom LLP
Authorized to Provide Professional Services to:	Delphi Corporation and the Affiliate Debtors
Date of Retention Order:	November 4, 2005
Period for Which Compensation and Reimbursement are Sought:	June 1, 2006 through September 30, 2006
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	\$10,025,538
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	\$848,232
Voluntary Reductions:	
Monthly Fee Statements:	\$1,162,112
Third Fee Application:	\$52,227
Total Voluntary Reductions:	\$1,214,339
Additional Fee Correction	\$3,024
Total Voluntary Reduction and Fee Correction	\$1,217,363

This is an/(a): X Interim Final Application.

Aggregate Amounts Paid to Date: \$29,034,551¹

¹ This amount reflects the aggregate amounts that will be paid upon payment of 80% of the fees and 100% of the charges and disbursements billed for the period covered by this Interim Application.

PRIOR FEE APPLICATIONS

Prior Fee Application	Date Filed	Period Covered	Interim Fees Requested (Awarded)	Interim Expense Reimbursement Requested (Awarded)
First	05/31/06	10/08/05 – 01/31/06	\$9,200,920 (Pending)	\$622,420 (Pending)
Second	07/31/06	02/01/06 – 05/31/06	\$11,310,231 (Pending)	\$825,854 (Pending)

TIME SUMMARY TO THIRD INTERIM FEE APPLICATION OF
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
JUNE 1, 2006 – SEPTEMBER 30, 2006

Name	Year Of Admission	Rate ²	Hours	Amount
PARTNERS				
Butler, Jr., John Wm.	1980	\$744	980.9	\$730,178
Marafioti, Kayalyn A.	1980	\$795	609.2	\$484,328
Hogan, III, Albert L.	1997	\$605	712.7	\$431,210
Cochran, Eric L.	1987	\$795	477.2	\$379,378
Lyons, John K.	1989	\$640	586.5	\$375,444
Panagakos, George N.	1990	\$697	353.3	\$246,097
Furfaro, John P.	1981	\$760	205.5	\$156,118
Berke, Jay S.	1972	\$735	185.3	\$136,241
Berlin, Kenneth	1974	\$745	142.3	\$105,991
Krakaur, Keith D.	1986	\$664	120.7	\$80,143
Wexler, Marian P.	1977	\$731	92.6	\$67,722
Gunther, Christopher J.	1992	\$588	42.2	\$24,816
Gross, Cliff	1989	\$770	30.6	\$23,562
Hiestand, N. Lynn	1981	\$835	24.1	\$20,124
Brewster, Jody J.	1986	\$695	26.5	\$18,419
Levi, Stuart D.	1987	\$785	14.4	\$11,304
Gibson, Marie L.	1997	\$585	16.5	\$9,654
Partner Total			4,620.5	\$3,300,729
COUNSEL				
Matz, Thomas J.	1976	\$560	892.9	\$500,024
Shivakumar, Dhananjai	1998	\$532	618.5	\$328,888
Garner, Lee P.	1995	\$540	435.4	\$235,218
Ramlo, Kurt	1993	\$560	223.4	\$125,104
Sensenbrenner, Eric B.	1996	\$560	137.8	\$77,168
Amodeo, John A.	1977	\$580	40.9	\$23,722
Schneider, David A.	1988	\$560	38.6	\$21,616
Counsel Total			2,387.5	\$1,311,740
ASSOCIATES				
Meisler, Ron E.	1999	\$506	854.0	\$432,432
Reese, Randall G.	2001	\$431	936.0	\$403,720
Fern, Brian M.	1996	\$479	693.2	\$332,087
Hardin, Adlai S.	1998	\$540	558.3	\$301,482
Wharton, Joseph N.	1998	\$450	663.0	\$298,499
Stuart, Nathan L.	2002	\$435	654.2	\$284,438
Jjingo, M. Janine	2006	\$335	813.0	\$272,363
Herriott, Allison Verderber	2004	\$351	686.2	\$240,665
Campanario, Nick D.	2002	\$450	519.1	\$233,502
Wilson, Louis D.	2000	\$510	366.6	\$186,966

² The blended rates set forth for certain professionals reflect the average billing rate for the entire Application Period and incorporate a reduced billing rate for nonworking travel time.

Name	Year Of Admission	Rate ²	Hours	Amount
Houston, Brett M.	2003	\$375	479.7	\$179,889
VanLonkhuyzen, Courtney E.	2004	\$359	469.9	\$168,695
Diaz, Lisa B.*	2006	\$284	520.9	\$148,112
Perl, Michael W.	2004	\$375	360.4	\$135,157
Krebs, Peter E.	2003	\$410	324.5	\$133,045
Guzzardo, John	2004	\$363	324.1	\$117,600
Zambrano, Kathy	2003	\$398	292.3	\$116,419
Grant, Kellan	2000	\$410	256.0	\$104,960
Rohner, William M.	2002	\$440	219.3	\$96,492
Pehlke, David R.	2005	\$335	215.2	\$72,093
Willenken, Karen E.	2000	\$475	140.2	\$66,555
Ziegler, Venera E.	2003	\$510	129.6	\$66,096
Kohut, Ronald D.	2004	\$410	135.8	\$55,678
Danz, Catherine E.	2001	\$465	118.7	\$55,197
Toussi, Sina	1995	\$540	97.6	\$52,704
MacDonald, F. Neil	1997	\$489	93.4	\$45,711
Feinberg, Aaron S.	2002	\$465	68.9	\$32,039
Phillips, Daniel P.	1998	\$540	54.7	\$29,538
Shih, Jonathan L.*		\$295	94.3	\$27,819
Olasky, Peter	2005	\$375	33.8	\$12,677
Pilkington, Christian	Foreign (1999)	\$540	21.2	\$11,448
Stenger, Allen	2004	\$410	27.8	\$11,398
Ubani, John	2000	\$440	16.2	\$7,128
Naguiat, Ramon M.	2000	\$440	12.9	\$5,676
Ogunsanya, Gregory O.	2004	\$440	12.1	\$5,324
MacDonald, Thomas W.	2005	\$335	12.4	\$4,154
Associate Total			11,275.5	\$4,747,758
PARAPROFESSIONALS				
Rosen, Ruth	N/A	\$230	566.8	\$130,364
Demma, Jeffrey	N/A	\$230	565.1	\$129,973
Zsoldos, Andrew F.	N/A	\$151	587.7	\$88,805
Salazar, Adriana	N/A	\$182	442.3	\$80,320
Klimek, Marsha V.	N/A	\$230	244.6	\$56,258
Jacobson, Susan J.	N/A	\$230	160.2	\$36,846
Donnelly, Neal P.	N/A	\$180	163.1	\$29,439
DiBella, Joseph B.	N/A	\$210	130.1	\$27,321
Worscheck, Toby M.	N/A	\$75	277.7	\$20,829
Rivera, Maira	N/A	\$75	165.9	\$12,443
Nowicki, John A.	N/A	\$230	52.9	\$12,167
Gilchrist, Julie M.	N/A	\$230	32.7	\$7,521
Yoeli, Matthew E.	N/A	\$145	50.8	\$7,366
Driscoll, Brandon C.	N/A	\$95	62.1	\$5,900
Millican, Ian S.	N/A	\$145	28.3	\$4,104
Terry, William C.	N/A	\$260	14.7	\$3,822
Morong, Christine	N/A	\$230	13.4	\$3,082
Chavali, Aruna	N/A	\$145	21.0	\$3,046

Name	Year Of Admission	Rate ²	Hours	Amount
Senner, Jaclyn	N/A	\$95	31.0	\$2,945
Chow, Pauline P.	N/A	\$230	12.0	\$2,760
Paraprofessional Total			3,622.4	\$665,311
TOTAL ALL PROFESSIONALS			21,905.9	\$10,025,538
This summary excludes voluntary fee reductions of \$1,103,448, of which \$1,051,221 was reduced on the monthly statements and \$52,227 ³ is an additional accommodation on this Interim Application.				

* These timekeepers are "Law Clerks." Law Clerks are law school graduates who have not yet been admitted to practice. For purposes of billing statistics, law clerks are included with associates. Lisa B. Diaz was admitted to practice in November 2006, however, after the Application Period.

³ In accordance with Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by the Court on April 19, 1995, Skadden has identified those entries within Exhibits D-1 through D-34 for which accommodations are being provided pursuant to this Interim Application.

SUMMARY OF SERVICES RENDERED BY
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
JUNE 1, 2006 – SEPTEMBER 30, 2006

Activities	Hours	Fees
Customer Matters (GM)	3,448.3	\$1,699,180 (16.9%)
Employee Matters (Labor Unions)	2,752.5	\$1,387,983 (13.8%)
Reorganization Plan / Plan Sponsors	1,341.0	\$820,818 (8.2%)
Customer Matters (Reviews/Investigations)	1,590.0	\$743,110 (7.4%)
Case Administration	2,133.8	\$604,443 (6.0%)
Asset Dispositions (General)	1,125.9	\$554,644 (5.5%)
Claims Administration (General)	1,142.2	\$467,214 (4.7%)
Automatic Stay (Relief Actions)	794.2	\$356,684 (3.6%)
Nonworking Travel Time	1,205.8	\$351,261 (3.5%)
Creditor Meetings / Statutory Committees	755.4	\$341,135 (3.4%)
Supplier Matters	807.1	\$331,877 (3.3%)
Tax Matters	592.4	\$319,866 (3.2%)
Employee Matters (General)	602.4	\$308,544 (3.1%)
Business Operations / Strategic Planning	518.1	\$304,824 (3.0%)
Retention / Fee Matters / Objections (Others)	679.3	\$241,482 (2.4%)
Claims Administration (Reclamation/Trust Funds)	462.2	\$217,669 (2.2%)
General Corporate Advice	248.6	\$161,208 (1.6%)
Secured Claims	354.5	\$153,028 (1.5%)
Retention / Fee Matters (SASM&F)	339.5	\$134,152 (1.3%)
Environmental Matters	196.3	\$129,158 (1.3%)
Leases (Real Property)	169.0	\$81,111 (0.8%)
Executory Contracts (Personalty)	160.4	\$69,027 (0.7%)
Liquidation/Feasibility	96.9	\$41,946 (0.4%)
Global Subsidiaries (Non-U.S.)	48.7	\$32,906 (0.3%)
Intellectual Property	65.9	\$32,050 (0.3%)

Activities	Hours	Fees
Real Estate (Owned)	56.3	\$31,005 (0.3%)
Employee Matters (Pension)	66.6	\$28,202 (0.3%)
Asset Dispositions (Real Property)	30.8	\$21,490 (0.2%)
Customer Matters (General)	31.2	\$15,305 (0.2%)
Utilities	37.0	\$13,398 (0.1%)
Insurance	21.4	\$11,417 (0.1%)
Litigation (General)	18.3	\$11,076 (0.1%)
Reports and Schedules	13.9	\$8,325 (0.1%)
Total	21,905.9	\$10,025,538

Hearing Date: March 22, 2007

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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In re :
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DELPHI CORPORATION, et al., :
:
:
Debtors. :
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Chapter 11

Case No. 05-44481 (RDD)

(Jointly Administered)

THIRD INTERIM APPLICATION OF SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP, COUNSEL TO DEBTORS-IN-POSSESSION, SEEKING
ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT
OF EXPENSES UNDER 11 U.S.C. §§ 330 AND 331

("THIRD SKADDEN INTERIM FEE APPLICATION")

Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), counsel for Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates (the "Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (the "Reorganization Cases"), submits this third interim application (the "Interim Application") seeking interim allowance and payment of compensation and reimbursement of expenses under 11 U.S.C. §§ 330 and 331 for the period from June 1, 2006 through September 30, 2006 (the "Application Period"). Skadden submits this Interim Application for (a) allowance of compensation for professional services rendered by Skadden to the Debtors and (b) reimbursement of actual and necessary charges and disbursements incurred by Skadden in the rendition of required professional services on behalf of the Debtors. In support of this Interim Application, Skadden represents as follows:

Background

A. The Chapter 11 Filings

1. On October 8 and 14, 2005 (the "Petition Dates"), Delphi and certain of its U.S. subsidiaries and affiliates filed voluntary petitions in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. This Court entered orders directing the joint administration of the Debtors' chapter 11 cases.

2. On October 17, 2005, the Office of the United States Trustee (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee"). On April 28, 2006, the U.S. Trustee appointed an official committee of equity holders (the "Equity Committee"). No trustee or examiner has been appointed in the Debtors' cases.

3. On May 5, 2006, this Court authorized the establishment of a joint fee review committee (the "Fee Review Committee") and approved a protocol regarding the committee, its composition, mandate, and procedures (Docket No. 3630). The Fee Review Committee is comprised of a representative of each of: (a) the U.S. Trustee for this District; (b) the Debtors; and (c) the Creditors' Committee.

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

5. The statutory predicates for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"). This Interim Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by the Court on April 19, 1995 (the "Local Guidelines"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (Appendix A to 28 C.F.R. § 58), dated May 17, 1996 (the "UST Guidelines" and, together with the Local Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with the Guidelines is attached hereto as Exhibit A.

Retention Of Skadden

6. Upon the commencement of the Reorganization Cases, the Debtors applied to this Court for an order approving the retention of Skadden as their principal restructuring and bankruptcy counsel (the "Retention Application") to perform legal services under a general

retainer that was necessary to enable the Debtors to faithfully execute their duties as debtors-in-possession. On November 4, 2005, this Court entered an order (the "Retention Order")⁴ authorizing the Debtors to employ Skadden as their counsel under the terms set forth in the Retention Application.⁵

7. In the Retention Application, the Debtors disclosed that Skadden's fees for professional services are based on its guideline hourly rates, which are periodically adjusted. The Debtors also disclosed in the Retention Application that Skadden's charges and disbursements are invoiced pursuant to Skadden's Policy Statement Concerning Charges and Disbursements, a copy of which is attached to the Engagement Agreement. Certain charges and disbursements are not charged separately under the bundled rate structure as described in the Retention Application. Other than an arrangement between Skadden and its members, there is no agreement or understanding between Skadden and any person for the sharing of compensation to be received for services rendered in this case.

Fee Procedures And Monthly Fee Statements

8. On November 4, 2005, this Court entered the Order Under 11 U.S.C. § 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 869) (the "Initial Interim Compensation Order"). This order was subsequently amended on March 8, 2006 (Docket No. 2747), March 28, 2006 (Docket No. 2986), May 5, 2006 (Docket No. 3630), July 12, 2006 (Docket No. 4545), and October 13, 2006 (Docket No. 5310) (collectively and together with the Initial Interim Compensation Order, the "Interim

⁴ A copy of the Retention Application, the supporting declaration, and the Retention Order are attached hereto as Exhibit B. These materials include factual information regarding the experience and standing at the bar of certain of Skadden's senior attorneys.

⁵ The Retention Order incorporates the terms of an engagement agreement dated as of July 12, 2005 (the "Engagement Agreement"), between Skadden and the Debtors, a copy of which is attached as Exhibit A to the declaration supporting the Retention Application.

Compensation Order"). Pursuant to the fourth supplemental order entered on July 12, 2006 (Docket No. 4545), this Court approved the release of 50% of the holdback amount accrued through May 31, 2006. Moreover, in the fifth supplemental order entered on October 13, 2006, (Docket No. 5310), the Court adjourned the hearing date for professionals' first and second interim fee applications from October 19, 2006 to November 30, 2006, and, except as provided below, maintained October 12, 2006 as the objection deadline for the first and second interim fee applications (in accordance with the supplemental case management order), while extending the Fee Committee's objection deadline with respect to the first and second interim fee applications to November 15, 2006.

9. To monitor costs to the Debtors' estates and avoid duplicative efforts in the review of fee applications filed in these Reorganization Cases, the Debtors, the Creditors' Committee, and the U.S. Trustee negotiated the formation of the Fee Review Committee to review, comment on, and, if necessary, object to the various fee applications filed in these Reorganization Cases. On May 5, 2006, this Court authorized the establishment of the Fee Review Committee and approved a protocol regarding the Fee Review Committee, its composition, mandate, and procedures (Docket No. 3630) (the "Fee Review Protocol"). On August 17, 2006, this Court entered an order authorizing the Fee Review Committee to retain Legal Cost Control, Inc. as fee analyst to assist the Fee Review Committee (Docket No. 4959).

10. Pursuant to paragraphs 2(a), 2(j), and 7 of the Interim Compensation Order, as supplemented, and the Fee Review Protocol, Skadden is submitting this Interim Application to the Debtors, the U.S. Trustee, counsel to the Creditors' Committee, counsel to the agent under the Debtors' prepetition credit facility, counsel to the agent under the Debtors' postpetition credit facility, and the members of the Fee Review Committee and its advisors.

Overview Of Delphi Corporation

11. Delphi and its subsidiaries and affiliates (collectively, the "Company"), as of December 31, 2005 had global 2005 net sales of \$26.9 billion, and global assets as of December 31, 2005 of approximately \$17.0 billion.⁶ At the time of its chapter 11 filing, Delphi ranked as the fifth largest public company business reorganization in terms of revenues, and the thirteenth largest public company business reorganization in terms of assets. Delphi's non-U.S. subsidiaries are not chapter 11 debtors and continue their business operations without supervision from the Bankruptcy Court.

12. The Company is a leading global technology innovator with significant engineering resources and technical competencies in a variety of disciplines, and is one of the largest global suppliers of vehicle electronics, transportation components, integrated systems and modules, and other electronic technology. The Company supplies products to nearly every major global automotive original equipment manufacturer (each an "OEM").

13. Delphi was incorporated in Delaware in 1998 as a wholly-owned subsidiary of General Motors Corporation ("GM"). Prior to January 1, 1999, GM conducted the Company's business through various divisions and subsidiaries. Effective January 1, 1999, the assets and liabilities of these divisions and subsidiaries were transferred to the Company in accordance with the terms of a Master Separation Agreement between Delphi and GM. In connection with these transactions, Delphi accelerated its evolution from a North American-based, captive automotive supplier to a global supplier of components, integrated systems, and modules for a wide range of customers and applications. Although GM is still the Company's single largest customer, today more than half of Delphi's revenue is generated from non-GM sources.

⁶ The aggregated financial data used in this Interim Application generally consists of consolidated information from Delphi and its worldwide subsidiaries and affiliates.

Events Leading To Chapter 11 Filing

14. In the first two years following Delphi's separation from GM, the Company generated approximately \$2 billion in net income. Every year thereafter, however, with the exception of 2002, the Company has suffered losses. In calendar year 2004, the Company reported a net loss of approximately \$4.8 billion on \$28.6 billion in net sales.⁷ Reflective of a continued downturn in the marketplace, in 2005 Delphi incurred net losses of approximately \$2.4 billion on net sales of \$26.9 billion.

15. The Debtors believe that the Company's financial performance has deteriorated because of (a) increasingly unsustainable U.S. legacy liabilities and operational restrictions driven by collectively bargained agreements, including restrictions preventing the Debtors from exiting non-profitable, non-core operations, all of which have the effect of creating largely fixed labor costs, (b) a competitive U.S. vehicle production environment for domestic original equipment manufacturers resulting in the reduced number of motor vehicles that GM produces annually in the United States and related pricing pressures, and (c) increasing commodity prices.

16. In light of these factors, the Company determined that it would be imprudent and irresponsible to defer addressing and resolving its U.S. legacy liabilities, product portfolio, operational issues, and forward-looking revenue requirements. Because discussions with its major unions and GM had not progressed sufficiently by the end of the third quarter of 2005, the Company commenced these chapter 11 cases for its U.S. businesses to complete the Debtors' transformation plan and preserve value for its stakeholders.

⁷ Reported net losses in calendar year 2004 reflect a \$4.1 billion tax charge, primarily related to the recording of a valuation allowance on the U.S. deferred tax assets as of December 31, 2004. The Company's net operating loss in calendar year 2004 was approximately \$482 million.

The Debtors' Transformation Plan

17. On March 31, 2006, the Company outlined the key tenets of its transformation plan. The Company believes that this plan will enable it to return to a stable, profitable business operation and allow the Debtors to emerge from these chapter 11 cases in the first half of 2007. To complete their restructuring process, the Debtors must focus on five key areas. First, Delphi must modify its labor agreements to create a competitive arena in which to conduct business. Second, the Debtors must conclude their negotiations with GM to finalize GM's financial support for Delphi's legacy and labor costs and to ascertain GM's business commitment to the Company. Third, the Debtors must streamline their product portfolio to capitalize on their world-class technology and market strengths and make the necessary manufacturing alignment with their new focus. Fourth, the Debtors must transform their salaried workforce to ensure that the Company's organizational and cost structure is competitive and aligned with its product portfolio and manufacturing footprint. Finally, the Debtors must devise a workable solution to their current pension situation.

18. In connection with the first two elements of the Company's transformation plan, Delphi continues to participate in discussions with its unions and GM. Because Delphi was not able to achieve comprehensive agreements with its unions and GM during the first six months of these chapter 11 cases, however, on March 31, 2006, Delphi moved under sections 1113 and 1114 of the Bankruptcy Code for authority to reject its U.S. labor agreements and to modify retiree benefits.⁸ On May 9, 2006, the hearing on the Debtors' 1113/1114 Motion commenced. Contemporaneously with the filing of the 1113/1114 Motion, the Debtors also moved to reject

⁸ See Motion For Order Under 11 U.S.C. § 1113(c) Authorizing Rejection Of Collective Bargaining Agreements And Under 11 U.S.C. § 1114(g) Authorizing Modification of Retiree Welfare Benefits (Docket No. 3035) (the "1113/1114 Motion").

unprofitable supply contracts with GM.⁹ Among the reasons for the GM Contract Rejection Motion was the Debtors' belief that GM must cover a greater portion of the costs of manufacturing products for GM at plants that bear the burden of the Debtors' legacy costs. This initial motion covers approximately half of the Debtors' North American annual purchase volume revenue from GM but only 10% of the Debtors' total contracts with GM. Although the filing of these motions was a necessary procedural step, the Debtors continued to pursue a consensual resolution with all of Delphi's unions and GM before the merits of the motion are determined by the Court. In fact, due to the continued negotiations among the parties, during the Application Period, the Debtors, Delphi's unions, and GM agreed to adjourn the 1113/1114 Motion and the GM Contract Rejection Motion and have scheduled periodic status hearings to apprise this Court of progress and, if necessary, to set a date to resume the litigation.

19. Throughout these cases and notwithstanding the 1113/1114 Motion and the GM Contract Rejection Motion, Delphi has consistently communicated a clear message to both its hourly workforce and GM: Delphi is committed to finding a consensual resolution and intends to continue to discuss with its unions and GM ways to become competitive in the Debtors' U.S. operations. To that end, prior to the Application Period, Delphi, GM, and the United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") received this Court's approval of a tripartite agreement providing for a special hourly attrition program for Delphi's

⁹ See Motion For Order Under 11 U.S.C. § 365 And Fed. R. Bankr. P. 6006 Authorizing Rejection Of Certain Executory Contracts With General Motors Corporation (Docket No. 3033) (the "GM Contract Rejection Motion").

UAW-represented employees.¹⁰ During the Application Period, on July 7, 2006, this Court entered an order approving a similar special attrition program with the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers-Communications Workers of America, (the "IUE-CWA") and a Supplement to the UAW special attrition program (Docket No. 4461).¹¹ As of September 26, 2006, approximately 12,400 of UAW-represented employees of Delphi have opted to retire by January 1, 2007 and approximately 1,400 additional UAW-represented employees of Delphi elected a buyout. Furthermore, as of August 18, 2006, approximately 6,300 IUE-CWA-represented employees of Delphi, representing approximately 83% of the eligible IUE-CWA-represented workforce, opted to participate in the attrition program. Although these special hourly attrition programs will provide nearly two-thirds of Delphi's existing UAW and IUE-CWA-represented long-term hourly employees (as of September 26, 2006 and August 18, 2006, respectively) with "soft landings" through a combination of retirement programs, attrition programs, and GM flowbacks, the attrition programs do not resolve the issues related to Delphi's uncompetitive labor agreements.

20. To implement the third element of the Debtors' transformation plan, the Company announced plans to focus its product portfolio on those core technologies for which the Company has significant competitive and technological advantages and expects the greatest opportunities for increased growth. To that end, the Company will focus the organization around

¹⁰ On May 8, 2006, the Court entered an order approving the agreement relating to the UAW's special hourly attrition program (Docket No. 3648), and that order was amended by this Court on May 12, 2006 (Docket No. 3754). On May 18, 2006, Wilmington Trust Company, as indenture trustee, filed a notice of appeal related to both the May 8, 2006 order and the May 12, 2006 amended order approving the agreement related to the UAW's special hourly attrition program (Docket No. 3813).

¹¹ On July 17, 2006, Wilmington Trust Company, as indenture trustee, filed a notice of appeal related to the July 7, 2006 order approving a special attrition program with the IUE-CWA and a Supplement to the UAW special attrition program (Docket No. 4572). Furthermore, Delphi is currently negotiating the terms of similar programs with the United Steelworkers of America and Delphi's other unions, which, if agreed upon, would provide those hourly employees with comparable retirement programs and incentives.

the following core strategic product lines: (a) Controls & Security (Body Security, Mechatronics, and Displays), (b) Electrical/Electronic Architecture (Electrical/Electronic Distribution Systems, Connection Systems, and Electrical Centers), (c) Entertainment & Communications (Audio, Navigation, and Telematics), (d) Powertrain (Diesel and Gas Engine Management Systems), (e) Safety (Occupant Protection and Safety Electronics), and (f) Thermal (Climate Control & Powertrain Cooling).¹²

21. In contrast, the Company similarly identified certain non-core product lines that do not fit into its future strategic framework, including Brake & Chassis Systems, Catalysts, Cockpits and Instrument Panels, Door Modules and Latches, Power Products, Ride Dynamics, Steering, and Wheel Bearings. The Company will sell or wind down these non-core product lines (which will include approximately one-third of its global manufacturing sites) and will consult with its customers, unions, and other stakeholders to carefully manage the transition of such affected product lines. The Company intends to sell or wind down the non-core product lines and manufacturing sites by January 1, 2008.

22. As part of its organizational restructuring, the fourth element of the Debtors' transformation plan, the Company expects to reduce its global salaried workforce by as many as 8,500 employees as a result of portfolio and product rationalizations and initiatives adopted following an analysis of the Company's selling, general, and administration ("SG&A") cost saving opportunities. The Company believes that once its SG&A plan is fully implemented, the Company should realize savings of approximately \$450 million per year in addition to savings

¹² The Company does not expect the portfolio changes to have a significant impact on its independent aftermarket or consumer electronics businesses. Similarly, the Company does not expect an impact on medical, commercial vehicles, or other adjacent-market businesses and product lines.

realized from competitive measures planned for its core businesses and the disposition of non-core assets.

23. As noted above, the final element of the transformation plan is to devise a workable solution to the Debtors' current pension situation. The Debtors' goal is to retain the benefits accrued under the existing defined benefit U.S. pension plans for both the Debtors' hourly and salaried workforce. To do so, however, the Debtors anticipate freezing the current hourly U.S. pension plan and the current salaried U.S. pension plan as of a date certain during the first-half of calendar year 2007. Devising a workable solution to the Debtors' current pension situation is being discussed among the Debtors, GM, and various constituencies and stakeholders and the Debtors anticipate that the current pension situation will be resolved through these discussions and a plan of reorganization.

24. Upon the conclusion of the reorganization process, the Debtors expect to emerge as a stronger, more financially sound business with viable U.S. operations that are well-positioned to advance global enterprise objectives. In the meantime, Delphi will continue to marshal all of its resources to continue to deliver high-quality products to its customers globally. Additionally, the Company will preserve and continue the strategic growth of its non-U.S. operations and maintain its prominence as the world's premier auto supplier.

Significant Events During The Application Period

25. The most significant events to occur during the Application Period arose from multi-party negotiations concerning the framework of a potential consensual restructuring of the Debtors' capital structure and operations consistent with the Debtors' previously announced transformation plan. Approximately 25% of the professional fees for which the approval is sought in this Interim Application relate to the Debtors' development of a draft framework, which

has included intense negotiations with their largest customer and would provide for a global settlement among the Debtors, GM, the Creditors' Committee, the Equity Committee, and potential investors in a reorganization plan. The framework agreement remains a work in progress, and material issues remain outstanding. Nevertheless, these discussions have advanced the Debtors' reorganization in several meaningful respects and the Debtors continue to believe that they will be able to emerge from these chapter 11 cases during the first half of 2007.

A. Negotiations With Unions And GM

26. As this Court is aware and as mentioned above, on March 31, 2006, the Debtors filed the 1113/1114 Motion and the GM Contract Rejection Motion. During the Application Period, and as a result of the negotiations among the Debtors, GM, the IUE-CWA, and the UAW, approval was sought and gained for special attrition programs.

27. Also during the Application Period, the Debtors have been negotiating key business points with GM that will likely be incorporated into a comprehensive agreement with GM that would govern various operational aspects of their commercial relationship. Among other things, the Debtors and GM are negotiating forward looking revenue commitments and economic support with respect to legacy liabilities. The negotiations on these matters began on a standalone basis and toward the latter half of the Application Period were incorporated into discussions with the Creditors' Committee, the Equity Committee, and the potential plan sponsors.

28. Four days prior to the commencement of the formal "framework discussions," on July 28, 2006, the Creditors' Committee filed its Motion For An Order Authorizing The Official Committee Of Unsecured Creditors To Prosecute The Debtors' Claims And Defenses Against General Motors Corporation (Docket No. 4718) (the "STN Motion")

requesting this Court's authority to prosecute the Debtors' claims and defenses against GM and certain former officers of the Debtors on Delphi's behalf. Attached under seal to the STN Motion was a draft complaint against GM asserting numerous allegations against the Debtors' former parent. As a result of the progress achieved thus far in the framework discussions, however, the Creditors' Committee agreed to adjourn the STN Motion. The Debtors and other parties-in-interest also agreed to adjourn the 1113/1114 Motion and the GM Contract Rejection Motion, with periodic chambers conferences in the interim, with the trial calendar on these matters resuming on a date to be determined by the Court as may be requested by the Debtors.¹³ The adjournment of these motions has permitted the Debtors and their professionals to focus their attention on negotiations with key stakeholders to develop the basis for a successful plan of reorganization and is consistent with the Debtors' previously stated goal of achieving a consensual reorganization.

B. Framework Discussions

29. As stated, the framework discussions began in earnest on August 1, 2006 with "leveling-up" meetings between the Debtors and its statutory committees. Promptly thereafter, the Debtors, GM, and the Creditors' Committee began exchanging proposals that addressed issues such as possible capital structures for the reorganized Debtors, disposition of the Debtors' legacy obligations, and various aspects of the Debtors' relationship with GM. On August 3, 2006, the Debtors, GM, the Creditors' Committee, and various professionals held the first of a series of extended meetings and negotiating sessions at Skadden's offices in New York. The parties have exchanged various draft agreements and term sheets which, taken together, have advanced negotiations considerably.

¹³ The Debtors have reserved their right to seek a hearing on these motions should circumstances so require.

30. By late September 2006, other stakeholders had joined the discussions. Specifically, the Debtors and their advisors met several times with representatives from the Equity Committee and an investor group led by Appaloosa Management L.P. and Harbinger Capital Partners, both separately and together with GM and the Creditors' Committee. The Debtors and their advisors also have met with representatives from several other potential plan investors. The Debtors, with the assistance of Skadden, have negotiated and executed confidentiality agreements with all of these parties and have responded to multiple diligence requests.

31. Ultimately, these framework discussions produced multiple framework proposals from the stakeholders described above, which the Debtors carefully evaluated. All of the proposals were intended to provide a basis for developing a plan of reorganization. The proposals addressed various matters including the following: (a) allocation of legacy liabilities; (b) wind down or divestiture of non-core North American facilities; (c) GM contribution and recovery; (d) plan treatment for various stakeholders; (e) limitations on general unsecured claims; (f) future capital structure; and (g) corporate governance upon emergence.

32. As of the end of the Application Period on September 30, 2006, the Debtors had not accepted any of the proposals, and the positions of some parties remained far apart on several issues. In fact, while the Debtors are optimistic that a consensual arrangement can be achieved, there is no guarantee that this process ultimately will produce an agreement. The Debtors believe, however, that the framework discussions nonetheless have yielded significant progress. In connection with these discussions, the Debtors and their advisors, including

Skadden,¹⁴ have worked diligently with the Debtors' senior management and continued negotiations with key constituencies. As a result, the framework discussions, have produced multiple proposals, have drawn the committed interest of several unaffiliated potential plan sponsors, and they have focused the energies of core stakeholders on identifying the basic requirements for a successful reorganization of the Debtors and their businesses. The framework agreement, if successful, will likely be the basis for a plan of reorganization and a strategy to emerge from chapter 11.

C. Claims Administration

33. As of November 2, 2006, the Debtors received more than 16,000 proofs of claim, a portion of which assert, in part or in whole, unliquidated claims. In addition, the Debtors have compared proofs of claim received to scheduled liabilities and determined that there are certain scheduled liabilities for which no proof of claim was filed. In the aggregate, these proofs of claim and scheduled liabilities assert more than \$37 billion in liquidated amounts plus certain unliquidated amounts. Although the Debtors have not completed the process of reconciling the Proofs of Claim, the Debtors believe that the aggregate amount of claims filed is likely to exceed the amount that will ultimately be allowed by the Court.

34. During the ongoing framework discussions, it has become clear to all of the participants that the parties' ability to reach agreement on a plan for the Debtors' emergence from chapter 11 is predicated upon a clear understanding of the scope of the claims against the Debtors which will ultimately be allowed in these cases. Accordingly, the Debtors have commenced an

¹⁴ Skadden is an integral part of a team of professionals retained by the Debtors to assist in their reorganization efforts. Skadden's assistance to the Debtors during the Application Period generally was part of a collaborative effort with the Debtors' other retained professions, including Rothschild Inc. as financial advisors and investment bankers, FTI Consulting, Inc. as restructuring and financial advisors, Groom Law Group Chartered as special employee benefits counsel, Jones Lang LaSalle Americas, Inc. as real estate transaction and services providers, O'Melveny & Myers LLP as special labor counsel, Shearman & Sterling LLP as special counsel, and Togut, Segal & Segal LLP as conflicts counsel.

active reconciliation process and on September 19, 2006, filed their First Omnibus Objection Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (i) Duplicate And Amended Claims And (ii) Equity Claims ("First Omnibus Claims Objection") (Docket No. 5151). In the First Omnibus Claims Objection, the Debtors objected to approximately 3,500 of the Proofs of Claim asserting liquidated claims of approximately \$1.7 billion against the Debtors. On October 24, 2006, the Court entered an order disallowing and expunging most of the claims subject to the First Omnibus Claims Objection. Moreover, following the Application Period, the Debtors filed their second and third omnibus objections to claims, which objected to 2,853 and 1,017 proofs of claim, respectively asserting liquidated claims in the approximate amounts of \$5.7 billion and \$1.3 billion, respectively, and also filed a motion to establish certain claims procedures for reconciling proofs of claims.¹⁵

Requested Fees And Reimbursement Of Expenses

35. Skadden has played an important role in advising the Debtors with respect to implementing their restructuring strategy and developing and negotiating a framework agreement that may provide the foundation for a plan of reorganization. As a result of its efforts during the Application Period, Skadden now seeks interim allowance of \$10,025,538 in fees calculated at the applicable guideline hourly billing rates of the firm's personnel who have worked

¹⁵ On October 31, 2006, the Debtors filed the Debtors' Second Omnibus Objection (Procedural) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (i) Equity Claims, (ii) Claims Duplicative Of Consolidated Trustee Or Agent Claims, And (iii) Duplicate And Amended Claims (Docket No. 5451); the Debtors' (i) Third Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (a) Claims With Insufficient Documentation, (b) Claims Unsubstantiated By Debtors' Books And Records, And (c) Claims Subject To Modification And (ii) Motion To Estimate Contingent And Unliquidated Claims Pursuant To 11 U.S.C. § 502(c) (Docket No. 5452); and the Motion for Order Pursuant to 11 U.S.C. §§ 502(b) And 502(c) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (I) Dates For Hearings Regarding Disallowance Or Estimation Of Claims And (II) Certain Notices And Procedures Governing Hearings Regarding Disallowance Or Estimation Of Claims (Docket No. 5453).

on the Reorganization Cases, and \$848,232 in charges and disbursements actually and necessarily incurred by Skadden while providing services to the Debtors during the Application Period.

36. This Interim Application reflects (a) a voluntary reduction by Skadden in connection with each monthly statement in the aggregate amount of \$1,051,221 with respect to fees (generally including the elimination from any matter of any timekeeper who recorded less than one hour and the elimination of any timekeeper who recorded less than \$2,500 in the aggregate on all Delphi matters) and \$110,891 with respect to charges and disbursements (including, among other things, certain reductions to catering services), (b) an additional voluntary reduction in the amount of \$52,227 in connection with this Interim Application to reflect, among other things, the elimination of all fees related to (i) any timekeeper who billed fewer than ten total hours during the Application Period, (ii) any timekeeper who billed less than \$1,000 during the Application Period, (iii) any instance in which a timekeeper billed less than \$1,000 to a particular matter during the Application Period, and (iv) the elimination of any matter to which fewer than ten hours were billed during the Application Period, and (c) an adjustment to reduce the proposed fees sought by \$3,024 to correct a discrete billing error related to one timekeeper. Accordingly, including the voluntary client accommodations in connection with each monthly statement, Skadden is voluntarily reducing its fees by \$1,103,448, or approximately 9.9%, and its charges and disbursements by \$110,891, or approximately 11.6%, for a total reduction of \$1,214,339 for items that Skadden normally would bill its clients.¹⁶

¹⁶ Skadden believes that the amounts requested in this Interim Application are reasonable in relation to the services rendered. The amounts requested are already reduced to reflect the client accommodations described herein. To the extent that a party objects to this Interim Application, Skadden reserves the right to recapture such client accommodations and seek up to the full amount of fees and expenses actually incurred in connection with this engagement. Furthermore, Skadden reserves its right to recapture and seek allowance of all client accommodations as part of its final fee application, including by way of illustration, \$179,282 in fees incurred by summer associates working on these cases.

37. In staffing this case, in budgeting and incurring charges and disbursements, and in preparing and submitting this Interim Application, Skadden has been mindful of the need to be efficient while providing appropriate and vigorous representation of the Debtors. As described in detail herein, Skadden believes that the requests made in this Interim Application comply with this Court's standards in the context of the unique circumstances surrounding these unusually large and complex cases.

Summary Of Services Rendered By
Skadden During The Application Period

38. Throughout the Application Period, Skadden has worked closely with the Debtors and their advisors to administer these estates and maximize the return for parties-in-interest. These services have been directed towards a myriad of tasks necessary to achieve this result. To meet the Debtors' needs, Skadden has provided multi-disciplinary services on a daily basis, often working nights, weekends, and holidays. Throughout this process, certain of the principal Skadden attorneys working on the Reorganization Cases were required to devote the vast majority of their time to this matter, often to the exclusion of other clients. As a result of the efforts of the Debtors and their professionals, the Debtors have made substantial progress in evaluating their businesses; preparing and pursuing a transformation plan; negotiating a framework agreement with GM, the statutory committees, and other key parties-in-interest; and reconciling claims asserted against the Debtors, all of which is meant to facilitate the Debtors' goal of emerging from chapter 11 in the first half of 2007.

39. At the commencement of the Reorganization Cases, Skadden created 45 different matter numbers or subject-matter categories (the "Matter Categories") to which its professionals assigned the time billed by them, all of which are related to the tasks performed by

Skadden on behalf of the Debtors.¹⁷ Skadden has kept a contemporaneous record of the time spent rendering such services and, consistent with the Guidelines, separated tasks in billing increments of one-tenth of an hour. All of the services performed by Skadden have been legal in nature and necessary for the proper administration of the Reorganization Cases.

40. Skadden devoted approximately 61.8% of its time to the following seven matters, each of which was responsible for fees in excess of \$400,000 during the Application Period: Customer Matters (GM), Employee Matters (Labor Unions), Reorganization Plan/Plan Sponsors, Customer Matters (Reviews/Investigations), Case Administration, Asset Dispositions (General), and Claims Administration (General).

41. Skadden devoted approximately 34.5% of its time in the aggregate to the following 13 matters, billings for each of which were between \$100,000 and \$400,000 during the Application Period: Automatic Stay (Relief Actions), Nonworking Travel Time, Creditor Meetings/Statutory Committees, Supplier Matters, Tax Matters, Employee Matters (General), Business Operations/Strategic Planning, Retention/Fee Matters/Objections (Others), Claims Administration (Reclamation/Trust Funds), General Corporate Advice, Secured Claims, Retention / Fee Matters (SASM&F), and Environmental Matters.

42. The remainder of time billed by Skadden (approximately 3.7%) was devoted to the following 13 matters, each of which accounted for less than \$100,000 during the Application Period: Leases (Real Property), Executory Contracts (Personalty), Liquidation/Feasibility, Global Subsidiaries (Non-U.S.), Intellectual Property, Real Estate

¹⁷ Skadden recently added an additional matter category for Customer Matters (Review and Investigations) so that there are now 46 Matter Categories. Exhibit C contains a table of all matter numbers used by Skadden in these Reorganization Cases, as well as a description of certain business statistics of Skadden in these Reorganization Cases.

(Owned), Employee Matters (Pension), Asset Dispositions (Real Property), Customer Matters (General), Utilities, Insurance, Litigation (General), and Reports and Schedules.

Matters Exceeding \$400,000

A. Customer Matters (GM)

43. During the Application Period, Skadden assisted the Debtors with many matters related to GM, the Debtors' largest customer and former parent. Due to the progress and development of the Reorganization Cases, the Debtors pursued a dual-track approach to GM related issues. Specifically, during the Application Period the Debtors, with the assistance of Skadden, actively pursued both the litigation of the GM Contract Rejection Motion and negotiations with GM regarding framework and plan of reorganization issues.

44. On June 13, 2006, this Court entered an order adjourning the hearing on the GM Contract Rejection Motion to August 15, 2006 (Docket No. 4169). In the same order, the Court also ordered GM and the Debtors to "meet and confer" during the week of July 31, 2006 to discuss certain pretrial matters. The Debtors and Skadden continued to prepare, throughout the Application Period, for the potential litigation of the GM Contract Rejection Motion. The Debtors' preparation included the filing of the Debtors' response to GM's objection to the GM Contract Rejection Motion, the preparation of trial exhibits, and the preparation of various direct- and cross-examination materials. GM and the Debtors appeared before the Court for a status conference on August 15, 2006 and, as discussed above, the hearing on the GM Contract Rejection Motion was ultimately adjourned to a date to be determined by the Court at the Debtors' request.

45. In addition to the GM Contract Rejection Motion, throughout July 2006, the Debtors, with the assistance of Skadden, and GM also began to focus on bilateral negotiations

concerning operational and structural issues. These negotiations grew into broader framework discussions with the statutory committees and later with several potential plan investors. The goal of these framework discussions was to set the terms for a global settlement of disputes and establish the basis for the Debtors' plan of reorganization. Progress in these discussions caused the Debtors in August to agree to adjourn the GM Contract Rejection Motion as discussed above.

46. Moreover, during the Application Period, the Debtors spent significant time working on an agreement with GM that would govern various operational aspects of their commercial relationship. The Debtors view such an agreement, which is now incorporated into the framework discussions, as an essential component to their reorganization. This agreement is being drafted with Skadden's assistance, to establish uniform baseline standards and procedures across various lines of business and includes various commercial terms and conditions.

47. Skadden professionals participated in these discussions and assisted in the drafting of portions of these agreements during the Application Period. This process has been labor-intensive and has required frequent consultations with the Debtors' senior management and division leaders. Moreover, Skadden participated in the negotiations with GM and assisted in drafting conceptual documents to address framework issues.

48. In connection with the foregoing services, Skadden expended 3,448.3 hours during the Application Period for which Skadden seeks compensation of \$1,699,180.¹⁸ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-1. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

¹⁸ This compares to \$458,182, or 5.0%, of the total fees requested in Skadden's first interim fee application for this matter and \$1,789,803, or 15.8%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Dhananjai Shivakumar	\$560	408.2	\$228,592
Adlai S. Hardin	\$540	415.8	\$224,532
Nathan L. Stuart	\$440	440.9	\$193,996
Albert L. Hogan III	\$620	304.7	\$188,914
Eric L. Cochran	\$795	155.4	\$123,543
Courtney E. VanLonkhuyzen	\$375	306.4	\$114,901
Nick D. Campanario	\$465	206.8	\$96,162
Kayalyn A. Marafioti	\$795	120.6	\$95,878
John (Jack) Wm. Butler, Jr.	\$835	104.8	\$87,509
John Guzzardo	\$375	183.5	\$68,813
Lee P. Garner	\$565	57.7	\$32,608
Sina Toussi	\$540	53.5	\$28,890
Thomas J. Matz	\$560	50.3	\$28,168
Peter E. Krebs	\$410	56.0	\$22,960
M. Janine Jjingo	\$335	43.6	\$14,607
Kellan Grant	\$410	34.6	\$14,186
Ron E. Meisler	\$540	23.2	\$12,528
Lisa B. Diaz	\$295	34.3	\$10,119
John A. Amodeo	\$580	13.5	\$7,830
George N. Panagakis	\$755	8.6	\$6,493
Kathy Zambrano	\$410	8.2	\$3,362
Michael W. Perl	\$375	4.9	\$1,838
Randall G. Reese	\$465	3.7	\$1,721
Paraprofessional Total		409.1	\$91,030
Total		3,448.3	\$1,699,180 (16.9%)
Voluntary fee accommodation excluded from total:			\$57,728

B. Employee Matters (Labor Unions)

49. As of the Petition Dates, nearly all of the Debtors' approximately 34,750 hourly employees in the United States were represented by three principal unions – the UAW, the IUE-CWA, and the United Steelworkers of America, Local 87 (the "USWA"). The Debtors have master collective bargaining agreements with each of these three unions as well as "local

agreements" with affiliated local unions covering primarily local issues that are worksite or business specific. The Debtors also have collective bargaining agreements with three other unions – the International Association of Machinists and Aerospace Workers (the "IAM"), the International Brotherhood of Electrical Workers (the "IBEW"), and the International Union of Operating Engineers (the "IUOE") (the six foregoing unions (the UAW, IUE-CWA, USWA, IAM, IBEW, and IUOE) being referred to herein collectively as the "Unions") – representing approximately 125 employees in the U.S. hourly workforce

50. During the Application Period, Skadden worked with the Debtors and other professionals to further the negotiations between the Debtors and their Unions. Throughout the Application Period, Skadden worked closely (being mindful not to duplicate efforts) with O'Melveny & Myers, LLP ("O'Melveny") and Groom Law Group, special labor counsel and special employee benefits counsel, respectively, retained by the Debtors to advise with respect to the prosecution and continuances of the Debtors' 1113/1114 Motion.

51. Prior to the Application Period, on March 31, 2006, the Debtors filed their 1113/1114 Motion. At the commencement of the Application Period, Skadden continued to prepare for and participated in the contested hearing on the 1113/1114 Motion. On June 5, 2006, the contested hearing on the 1113/1114 Motion was adjourned following the close of the Debtors' direct case. The Court subsequently entered a series of scheduling orders providing for further adjournments and an adjournment of the contested hearing on the 1113/1114 Motion to allow the Debtors, the Unions, and other key constituencies to continue to focus their attention on the pursuit of a consensual resolution to the 1113/1114 Motion.

52. Throughout the Application Period, the Debtors, with the assistance of Skadden, have continued to provide information to, and engage in discussions and negotiations

with, the Unions and the Debtors' stakeholders in an effort to resolve the labor matters forming the basis of the 1113/1114 Motion. To apprise the Court of the progress of the framework discussions and other matters, the Court held six in camera status conferences during the Application Period. Skadden advised and represented the Debtors at each of these conferences. In addition, Skadden and counsel for the Unions and the other respondents to the 1113/1114 Motion participated in four meet and confer conferences during the Application Period to discuss matters relating to the potential resumption of the contested hearing on the 1113/1114 Motion. Pursuant to the Sixth Amended Section 1113 And 1114 Scheduling Order entered by the Court on September 28, 2006 (Docket No. 5221), the contested hearing on the 1113/1114 Motion was adjourned to a date to be determined by the Court at the Debtors' request so that the various constituencies could conduct further negotiations.

53. In connection with the 1113/1114 Motion, on August 10, 2006, the IBEW and IAM filed a Motion for Judgment on Partial Findings Dismissing the IBEW and IAM Pursuant to Rule 7052(c) (Docket No. 4890) (the "IBEW/IAM Motion for Judgment"), in which the IBEW and IAM requested that the Court deny the relief sought in the 1113/1114 Motion as applied to the IBEW and IAM. Skadden assisted the Debtors and O'Melveny in analyzing the IBEW/IAM Motion for Judgment and in drafting an objection to the motion that was submitted on August 16, 2006 (Docket No. 4944). The IBEW/IAM Motion for Judgment has been adjourned pending resumption of the contested hearing on the 1113/1114 Motion and this has not yet been ruled upon.

54. Furthermore, as discussed above, during the Application Period the Debtors, with Skadden's assistance, also successfully negotiated the establishment of a supplement to the UAW Special Attrition Program that was previously approved by this Court

(the "UAW Supplement"). The UAW Supplement provides additional incentives for UAW-represented employees to voluntarily attrit from Delphi. In addition to the UAW Supplement, Delphi, with the assistance of Skadden, also negotiated with GM and the IUE-CWA and agreed upon a special attrition program for the benefit of hourly employees represented by the IUE-CWA (the "IUE-CWA Special Attrition Program"). The IUE-CWA Special Attrition Program is similar to the UAW Special Attrition Program that was previously approved by this Court, and it is a significant step to enable realignment of the Debtors' global product portfolio and manufacturing footprint, as well as reduction of the Debtors' traditional-rate hourly U.S. workforce to levels needed to run its realigned U.S. operations. Skadden drafted a motion seeking approval of both the UAW Supplement and the IUE-CWA Special Attrition Program, which was finalized and filed on June 19, 2006 (Docket No. 4269). After filing that motion, Skadden responded to objections and discovery requests and prosecuted the motion on behalf of the Debtors ten days later at a special hearing held on June 29, 2006. On July 7, 2006, this Court entered an order approving the motion (Docket No. 4461). This order was appealed by Wilmington Trust Company, as indenture trustee ("Wilmington Trust").¹⁹ Skadden advised the Debtors with respect to matters raised by these appeals. The Debtors, with the assistance of Skadden, are continuing to negotiate with the USWA, as well as their other unions, regarding similar programs.

55. In connection with the foregoing services, Skadden expended 2,752.5 hours during the Application Period for which Skadden seeks compensation of \$1,387,983.²⁰ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit

¹⁹ As noted above, Wilmington Trust also appealed from the order approving the UAW special attrition program.

²⁰ This compares to \$414,991, or 4.5%, of the total fees requested in Skadden's first interim fee application for this matter and \$2,590,790, or 22.9%, of the total fees requested in Skadden's second interim fee application for this matter.

D-2. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Louis D. Wilson	\$510	364.3	\$185,793
John P. Furfaro	\$770	198.3	\$152,691
Thomas J. Matz	\$560	262.3	\$146,888
Jay S. Berke	\$755	175.6	\$132,579
John (Jack) Wm. Butler, Jr.	\$835	128.3	\$107,132
Dhananjai Shivakumar	\$560	147.9	\$82,824
Albert L. Hogan III	\$620	122.6	\$76,012
Kayalyn A. Marafioti	\$795	74.5	\$59,229
Ronald D. Kohut	\$410	130.1	\$53,341
George N. Panagakis	\$755	68.4	\$51,643
Courtney E. VanLonkhuyzen	\$375	123.4	\$46,275
Nick D. Campanario	\$465	93.3	\$43,385
Neil MacDonald	\$540	65.9	\$35,586
Nathan L. Stuart	\$440	77.7	\$34,188
Brian M. Fern	\$485	58.6	\$28,422
Ron E. Meisler	\$540	32.0	\$17,280
John Guzzardo	\$375	38.8	\$14,550
Allison V. Herriott	\$375	25.1	\$9,413
William M. Rohner	\$440	20.2	\$8,888
Randall G. Reese	\$465	7.5	\$3,488
Kathy Zambrano	\$410	7.8	\$3,198
Adlai S. Hardin	\$540	4.5	\$2,430
Brent M. Houston	\$375	6.4	\$2,400
Joseph N. Wharton	\$485	2.8	\$1,358
Paraprofessional Total		516.2	\$88,990
Total		2,752.5	\$1,387,983 (13.8%)
Voluntary fee accommodation excluded from total:			\$80,515

C. Reorganization Plan/Plan Sponsors

56. The primary advancement of the Reorganization Cases during the Application Period relates to the development of a draft framework agreement intended to serve as the basis for the Debtors' plan of reorganization. The framework agreement would provide for a global settlement of disputes among the Debtors, GM, the statutory committees, and various other parties-in-interest. These discussions commenced in earnest when on August 1 and 2, 2006 the Debtors, the Creditors' Committee, the Equity Committee, and the Ad Hoc Equity Committee (as defined below) conducted "leveling up" meetings to exchange information and facilitate dialogue and then on August 3, 2006, the Debtors, GM, the Creditors' Committee, and various professionals, including Skadden, held the first of a series of extended meetings and negotiating sessions at Skadden's offices in New York.

57. Skadden professionals participated in, and advised the Debtors throughout, these various negotiations and meetings. By late September 2006 other stakeholders had joined the discussions. By the end of the Application Period, the Debtors, with the assistance of Skadden, had elicited four separate framework proposals from the statutory committees and potential plan investors, but the Debtors had not accepted any of the proposals, and in fact, gaps remained to be bridged with respect to certain issues. The Debtors believe, however, that the framework discussions have yielded significant progress because the discussions have produced multiple proposals and have drawn the committed interest of several unaffiliated potential plan investors.

58. Throughout the Application Period, Skadden has assisted the Debtors and contributed to the framework discussions in numerous ways. Skadden has participated in drafting and negotiating various iterations of the framework documents and predecessor term sheets,

organizing and participating in large scale negotiations as well as smaller caucuses and preparation sessions, assisting with document productions in response to due diligence requests from various stakeholders and potential plan investors, and researching multiple legal issues necessary to carefully assess the proposals submitted.

59. Specifically, during the Application Period, Skadden assisted the Debtors in responding to and complying with various due diligence requests by various potential plan sponsors so that these potential plan sponsors could complete their due diligence of the Debtors in connection with the framework proposals. Skadden assisted the Debtors by drafting non-disclosure agreements between the Debtors and the potential plan sponsors to preserve the confidentiality of all documents provided to these parties and their respective counsel and representatives. Moreover, a limited number of Skadden professionals assisted in setting up a dataroom in Troy, Michigan. Additionally, Skadden coordinated the Debtors' responses to the various information requests that were submitted after the documents in the dataroom were reviewed. These document requests often consisted of hundreds of pages of reports and other confidential materials. Throughout this process, Skadden participated in numerous conference calls and in-person meetings between the Debtors' and counsel for the potential plan sponsors to ensure a timely and efficient flow of information between the parties. Following the on-site visits, Skadden also assisted the Debtors in responding to supplemental information requests submitted by the various potential plan sponsors. As of the end of the Application Period and the filing of this Interim Application, the framework agreement remains a work in progress, and substantial differences among the parties remain to be resolved. Nevertheless, the discussions held during the Application Period have facilitated considerable progress towards the Debtors' reorganization.

60. In addition, the Debtors, with the assistance of Skadden, prepared and filed a motion to extend the Debtors' exclusive periods for filing a plan of reorganization and soliciting acceptances thereof. The Debtors requested that the Court extend (a) the exclusive right to file a plan of reorganization from August 5, 2006 to and including February 1, 2007 and (b) the solicitation period from October 4, 2006 to and including April 2, 2007. Prior to and during the Application Period, the Debtors, through Skadden, consulted with their major constituents, including the Creditors' Committee, regarding this motion, which resulted in this matter being uncontested. Accordingly, on June 19, 2006, the Court granted the Debtors' motion to extend the exclusivity period (Docket No. 4266).

61. In connection with the foregoing services, Skadden expended 1,341.0 hours during the Application Period for which Skadden seeks compensation of \$820,818.²¹ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-3. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Eric L. Cochran	\$795	238.2	\$189,370
John (Jack) Wm. Butler, Jr.	\$835	194.7	\$162,575
Kayalyn A. Marafioti	\$795	117.8	\$93,652
George N. Panagakis	\$755	93.1	\$70,291
Ron E. Meisler	\$540	108.6	\$58,644
Lisa B. Diaz	\$295	150.5	\$44,398
Adlai S. Hardin	\$540	72.3	\$39,042
Thomas J. Matz	\$560	55.0	\$30,800
Brian M. Fern	\$485	60.6	\$29,391
Kurt Ramlo	\$560	51.5	\$28,840

²¹ This compares to, \$14,195, or 0.2%, of the total fees requested in Skadden's first interim fee application for this matter and \$20,728, or 0.2%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Kellan Grant	\$410	50.8	\$20,828
Randall G. Reese	\$465	27.2	\$12,649
Allison V. Herriott	\$375	27.3	\$10,238
Peter Olasky	\$375	12.2	\$4,575
Michael W. Perl	\$375	12.1	\$4,538
Gregory O. Ogunsanya	\$440	9.6	\$4,224
Kenneth Berlin	\$770	4.0	\$3,080
Kathy Zambrano	\$410	5.1	\$2,091
Paraprofessional Total		50.4	\$11,592
Total		1,341.0	\$820,818 (8.2%)
Voluntary fee accommodation excluded from total:			\$12,466

D. Customer Matters (Reviews/Investigations)

62. On January 20, 2006, the Debtors filed their Schedules of Assets and Liabilities (Docket No. 1854) and their Statement of Financial Affairs (Docket No. 1855) listing certain unliquidated claims that the Debtors held against GM. Additionally, on March 24, 2006, the Creditors' Committee filed a Motion For An Order Compelling The Production Of Documents By General Motors Corporation Pursuant To Rule 2004 Of The Federal Rules Of Civil Procedure (Docket No. 2961) requesting this Court's direction for GM to turn over certain documents to the Creditors' Committee so that the Creditors' Committee could evaluate certain claims that the Debtors hold against GM and that GM allegedly holds against the Debtors. The Debtors did not object to the Creditors' Committee's motion, which resulted in the Creditors' Committee and GM entering into a stipulation and agreed order on April 11, 2006 whereby the Creditors' Committee and GM agreed that the Creditors' Committee was authorized to seek document production from GM and that GM would produce certain documents.

63. On March 28, 2006, the Debtors filed their Motion For Approval Of Joint Interest Agreement Between the Debtors And The Official Committee Of Unsecured Creditors, Implementation Of Protective Order, And Approval Of Procedures To Protect Information In Fee Statements (Docket No. 3000) seeking this Court's authority to share certain confidential information with the Creditors' Committee to facilitate the Creditors' Committee's ability to investigate various on going investigations.

64. On May 11, 2006, the Creditors' Committee sent a letter (the "Demand Letter") and subsequently a draft complaint (the "Draft Complaint") to Delphi's Board of Directors demanding that the Debtors promptly pursue certain claims and defenses that the Debtors may have against GM. The Draft Complaint was based in part on documents provided to the Creditors' Committee under a joint interest agreement previously approved by this Court and contained 408 numbered paragraphs and 19 separate causes of action. Skadden professionals spent a significant amount of time reviewing and analyzing the allegations included in the Demand Letter and Draft Complaint. Skadden's review and analysis assisted the Debtors in evaluating the Demand Letter and the Draft Complaint by conducting extensive legal analysis and research regarding the claims and defenses asserted in the Demand Letter and Draft Complaint. In addition, throughout June and July 2006, Skadden participated in numerous meetings with representatives of the Debtors and the Creditors' Committee, at which the respective representatives discussed, among other things, the Demand Letter and Draft Complaint.

65. On July 28, 2006, the Creditors' Committee filed its motion seeking court authority to prosecute the Debtors' claims and defenses against GM and certain former officers of the Debtors on Delphi's behalf (also known as the STN Motion) (Docket No. 4718). Skadden evaluated the merits of this motion and researched, drafted, and filed a preliminary objection to

the STN Motion on August 4, 2006 (Docket No. 4859). Skadden also prepared and served discovery requests on the Creditors' Committee. As of the end of the Application Period, the STN Motion was adjourned to the November 30, 2006 omnibus hearing and has subsequently been adjourned to the January 11, 2007 omnibus hearing.

66. Shortly after the formation of the Equity Committee, the Debtors solicited the Equity Committee's views regarding potential estate claims against GM. On July 29, 2006, the Debtors entered into a Joint Interest Agreement with the Equity Committee and, during August 2006, shared confidential information with the Equity Committee concerning claims and defenses against GM. On August 24, 2006, the Equity Committee delivered a letter to the Debtors stating that the Equity Committee's view of the Debtors' claims and defenses against GM, and on September 5, 2006, the Equity Committee filed its objection to the STN Motion (Docket No. 5070). In light of the various filings and demand letters, during September 2006 and continuing after the Application Period, Skadden assisted the Debtors in conducting a further factual inquiry and further legal analysis regarding the evaluation of the Debtors' potential claims and defenses against GM. In conducting the factual inquiry, Skadden reviewed thousands of documents, conducted thirty-two interviews, and kept detailed records of its investigation.

67. In connection with the foregoing services, Skadden professionals expended 1,590.0 hours during the Application Period for which Skadden seeks compensation of \$743,110.²² Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-4. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

²² Skadden did not request compensation or reimbursement for this matter in its first or second interim fee applications.

Name	Rate	Time	Value
Lee P. Garner	\$560	345.8	\$193,678
Peter E. Krebs	\$410	268.5	\$110,085
George N. Panagakis	\$755	104.9	\$79,201
David R. Pehlke	\$335	215.2	\$72,093
Keith D. Krakaur	\$755	91.6	\$69,158
Karen E. Willenken	\$510	120.8	\$61,608
Jonathan L. Shih	\$295	94.3	\$27,819
Albert L. Hogan III	\$620	41.8	\$25,916
Christopher J. Gunther	\$660	33.0	\$21,780
Nathan L. Stuart	\$440	32.1	\$14,124
John (Jack) Wm. Butler, Jr.	\$835	13.5	\$11,273
Kellan Grant	\$410	17.0	\$6,970
Thomas J. Matz	\$560	9.9	\$5,544
Thomas W. McDonald	\$335	12.4	\$4,154
Lisa B. Diaz	\$295	8.9	\$2,626
Kayalyn A. Marafioti	\$795	3.1	\$2,465
Michael W. Perl	\$375	3.1	\$1,163
Paraprofessional Total		174.1	\$33,453
Total		1,590.0	\$743,110 (7.4%)
Voluntary fee accommodation excluded from total:			\$13,753

E. Case Administration

68. This category is comprised of matters relating to, among other things, (a) general preparation for, and attendance at, court hearings, (b) general communications with creditors and other parties-in-interest, (c) general case administration, including duties pertaining to service of process, (d) general advice with respect to the prosecution of the Reorganization Cases, and (e) general advice with respect to the rights and duties of debtors-in-possession in the administration of the Reorganization Cases.

69. Skadden devoted significant time preparing for and attending the omnibus and special hearings that this Court established. The omnibus hearings have streamlined the

administration of these Reorganization Cases by establishing a schedule known to all parties-in-interest for Court hearings and consolidating multiple matters in a single hearing, thus eliminating unnecessary time and expense spent appearing before the Court on numerous occasions each month regarding disparate matters. Indeed, despite the fact that the Debtors are the largest manufacturing company ever to have sought reorganization relief, the Debtors have held only 12 omnibus hearings to date and four omnibus hearings during the Application Period. At these four omnibus hearings, 75 discrete matters were heard. This omnibus hearing schedule requires a carefully coordinated, but limited, team of Skadden attorneys to attend the hearings, to meet with numerous parties-in-interest who appear, and to resolve as many issues as possible without court intervention. In fact, it is not unusual for differences to be bridged at the courthouse steps just prior to the applicable hearing. Indeed, the Debtors, with the assistance of Skadden and the Debtors' other professionals, have succeeded in presenting the great majority of these matters as uncontested or resolved. To date, there have been relatively few contested matters in these cases, and even fewer matters that actually required contested evidentiary hearings. Following the hearings, Skadden must occasionally modify proposed orders to comply with the Court's rulings and subsequently submit those orders to this Court for entry and docketing. But for the coordinated efforts of Skadden (as well as the Debtors' other retained professionals) in connection with these hearings, this simply would not be possible.

70. The internal coordination of motions, responses, objections, witnesses, and other related matters requires close and careful attention by the entire Skadden team. The omnibus hearing schedule established in these Reorganization Cases is designed to efficiently address nearly all matters arising in these cases but requires that multiple professionals and paraprofessionals to provide various functions with respect to each omnibus hearing. For

example, the monthly omnibus hearing agendas that Skadden prepares require significant attention by Skadden paraprofessionals. Skadden attorneys are then requested to review and approve the particular matter(s) on the agenda for which they have principal responsibility to ensure that all relevant filings are properly reflected.

71. Moreover, given the size and complexity of these Reorganization Cases, the Debtors and Skadden were presented with a unique set of challenges in administering the cases, tracking motions filed by others, responding to inquiries from parties-in-interest, and maintaining organization and control over a case that could quickly have become disorganized if attention were not provided to case administration matters on a continual basis. Thus, for instance, Skadden worked closely with the Debtors, this Court's Clerk's Office, representatives of this Court's Chambers, the U.S. Trustee's Office, the Debtors' notice and claims agent (Kurtzman Carson Consultants LLC ("KCC")), the Debtors' public relations advisors, and the Debtors' other advisors in coordinating the various procedures and processes to aid in the administration of the Reorganization Cases, including a dedicated website, telephone hotlines, and e-mail information sites to assist in responding to the numerous inquiries that this case has generated. At the commencement of the Reorganization Cases, for example, the Debtors and Skadden established a telephone hotline that provides basic information to callers and allows them to leave voicemail messages to be returned by an appropriate Skadden attorney. During the Application Period, approximately 194 messages were submitted to the hotline. In addition, numerous parties contacted Skadden directly with their inquiries. When necessary, Skadden researched responses to more complicated voicemail messages and otherwise responded to inquiries tendered directly on the hotline. A considerable amount of time was devoted to these efforts.

72. Skadden also estimates that it received approximately 300 pieces of written correspondence during the Application Period, all of which were routed to appropriate professionals within Skadden and answered either orally or in writing. Skadden necessarily devoted significant resources responding to these matters. These efforts assured responsive answers to parties, ensured that the Debtors continued to conduct their affairs in accordance with the Bankruptcy Code and applicable nonbankruptcy law, and also assisted the Debtors and their estates by resolving numerous matters that might otherwise have resulted in pleadings filed with this Court.

73. In addition to communications matters, Skadden maintained various files that were critical to the ability of Skadden and others to address promptly issues that arose during the Application Period. Skadden reviewed all pleadings and orders filed in the Reorganization Cases and worked with KCC to ensure that entities entitled to notice were kept informed of significant events in the Reorganization Cases. The efficient management of administrative matters in a paper-intensive case of this size is a significant task. Each week, the Debtors and Skadden are inundated with correspondence, documents, requests, pleadings, and other papers. During the Application Period, nearly 1,265 items were docketed. On average, at least 11 pleadings were filed and docketed each day (including weekends and holidays) during the 120 days in the Application Period. As of September 30, 2006, approximately 5,241 items had been docketed.

74. Given this volume of activity, Skadden maintained various procedures to create efficiencies in the management of the Reorganization Cases and to avoid unnecessary duplication of effort between its own professionals and its advisors. For instance, during the Application Period, Skadden kept detailed calendars of future events in the Reorganization Cases

and maintained other planning tools to ensure that critical deadlines were met in this large and highly complex case and that an individual professional was assigned principal responsibility for nearly each discrete task to be completed.

75. Skadden is also required to devote substantial attention and resources to notice and related matters in these cases. As of the end of the Application Period, there were approximately 458 parties on the core service lists, including approximately 60 parties on the Master Service List²³ and an additional 398 parties who had filed a notice of appearance or request for notice in these cases (the "2002 List Parties"). Skadden, through its paraprofessionals, updates and maintains these lists to ensure proper notice by reviewing each pleading filed and updating the entities the entities that firms represent as well as recording relevant addresses, reviewing all electronic and written correspondence to ensure that all lists are accurate, and reviewing all notices of appearance to minimize the chance that a party-in-interest is inadvertently excluded from a mailing.

76. Obviously the great number of parties who have appeared in these cases and the time-sensitive nature of many of the pleadings and replies that must be filed require a great deal of coordinated effort by Skadden professionals. There are many matters that require special notices of particular items that significantly expand these duties. Thus, Skadden maintains and continually updates separate notice lists for various parties including the DIP lenders, lessors, and Unions and their respective advisors.

77. Moreover, on almost a daily basis, Skadden advises the Debtors' management of the Debtors' rights and duties as debtors-in-possession, noting proscribed,

²³ The Master Service List is comprised of (a) the Debtors and their counsel, (b) the Office of the United States Trustee, (c) the members of and counsel for the Creditors' Committee and the Equity Committee, (d) counsel for the agent under the Debtors' prepetition credit facility, (e) counsel for the agent under the Debtors' postpetition credit facility, and (f) those parties which may be added to the Master Service List upon written request to the Debtors or as may be otherwise ordered by the Court for good and sufficient cause.

permitted, and required conduct. Skadden frequently advises the Debtors' management with respect to specific business questions posed by management that arise from events occurring in the Reorganization Cases. Part of Skadden's advice in this regard involves the participation of Skadden professionals in periodic planning and strategy conferences with the Debtors' senior management team.

78. To assist the Debtors in continuing to perform their fiduciary duties, Skadden works with the Debtors in implementing procedures for the Debtors to operate their businesses in accordance with the requirements of the Bankruptcy Code. Skadden reviews certain of the Debtors' proposed expenditures, contractual relationships, dispositions of property and other transactions to aid the Debtors in evaluating whether the contemplated transactions are within the ordinary course of business or are outside the ordinary course of business and require Court approval.

79. In connection with the foregoing services, Skadden expended 2,133.8 hours during the Application Period for which Skadden seeks compensation of \$604,443.²⁴ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-5. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Ron E. Meisler	\$540	126.5	\$68,310
Thomas J. Matz	\$560	105.7	\$59,192
Kayalyn A. Marafioti	\$795	67.3	\$53,505
M. Janine Jjingo	\$335	75.3	\$25,226
Allison V. Herriott	\$375	55.0	\$20,626

²⁴ This compares to \$1,136,809, or 12.4%, of the total fees requested in Skadden's first interim fee application for this matter and \$603,278, or 5.3%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
John K. Lyons	\$695	21.9	\$15,221
Brian M. Fern	\$485	28.1	\$13,629
John (Jack) Wm. Butler, Jr.	\$835	14.6	\$12,192
Kathy Zambrano	\$410	25.0	\$10,250
Joseph N. Wharton	\$485	18.1	\$8,780
Kurt Ramlo	\$560	14.4	\$8,064
Randall G. Reese	\$465	15.2	\$7,068
Kellan Grant	\$410	17.0	\$6,970
Nathan L. Stuart	\$440	9.1	\$4,004
Lisa B. Diaz	\$295	12.3	\$3,629
George N. Panagakis	\$755	4.1	\$3,096
Michael W. Perl	\$375	7.3	\$2,738
Venera E. Ziegler	\$510	5.3	\$2,703
Albert L. Hogan III	\$620	4.0	\$2,480
Brent M. Houston	\$375	5.3	\$1,988
Paraprofessional Total		1,502.3	\$274,772
Total		2,133.8	\$604,443 (6.0%)
Voluntary fee accommodation excluded from total:			\$55,192

F. Asset Dispositions (General)

80. The Debtors have stated that to achieve the necessary cost savings and operational effectiveness envisioned in their transformation plan, a substantial segment of Delphi's U.S. business operations will need to be divested, consolidated, or wound-down through the chapter 11 process. During the Application Period, Skadden allocated significant resources advising the Debtors with respect to various contemplated divestitures of significant assets.

81. Of particular note, during the Application Period, Skadden advised the Debtors with respect to the transfer of the Company's battery manufacturing facility in New Brunswick, New Jersey to Johnson Controls, Inc. ("JCI") and the planned transition to JCI of battery production out of the Fitzgerald, Georgia facility. The New Brunswick facility was losing

approximately \$3 million per month and the Fitzgerald facility was losing approximately \$2 million per month. Accordingly, just prior to the Application Period, Skadden worked with the Debtors to file a motion (the "New Brunswick Transfer Motion") (Docket No. 3927) to obtain approval of a transfer agreement between the Debtors and JCI, which provided for (a) the sale of the New Brunswick facility to JCI, (b) the continued supply of batteries as well as the orderly transition of production to JCI from the Fitzgerald facility, (c) the implementation of a specific attrition plan with the IUE-CWA, the union representing the hourly employees at the New Brunswick facility, providing for a reduction to encourage the consensual separation of approximately 200 of the facility's 300 hourly employees (the "New Brunswick Attrition Plan"), (d) the payment of \$12.5 million from JCI to mitigate a majority of the costs of that attrition plan, and (e) the IUE-CWA's waiver of the no-sale clause and certain neutrality obligations with respect to the New Brunswick facility.

82. During the Application Period, Wilmington Trust Company, as indenture trustee ("WTC") filed a limited objection to the New Brunswick Transfer Motion, opposing Delphi's funding of the New Brunswick Attrition Plan. WTC served expedited discovery on the Debtors and in response, during a five-day period, the Debtors reviewed and produced hundreds of documents related to the New Brunswick Attrition Plan and defended Delphi's supporting witness in a deposition. WTC's objection was resolved pursuant to a compromise between the Debtors and WTC at the June 19, 2006 omnibus hearing on the New Brunswick Transfer Motion, and this Court entered an order approving that motion (Docket No. 4363).

83. In addition, during the Application Period, Skadden assisted the Debtors in undertaking and consummating their first sale of assets in chapter 11 through an auction process. In connection with the sale of substantially all of the assets of MobileAria, Inc. ("MobileAria"),

an Affiliate Debtor, during the Application Period, Skadden worked closely with DLA Piper Rudnick Gray Cary US LLP, MobileAria's outside corporate counsel, and Pagemill Partners, LLC, MobileAria's investment banker, to advise MobileAria with respect to the various bankruptcy considerations at issue in connection with the sale. Specifically, Skadden assisted MobileAria in preparing the necessary pleadings to seek authority to undertake a competitive bidding process and seek approval of the sale of substantially all of its assets,²⁵ obtained the Court's approval of bidding procedures and aided in the process of identifying potential competing bidders. Pursuant to the bidding procedures approved by the Court, an auction was held at Skadden's New York office, where the successful bidder offered consideration that was nearly twice the consideration offered by the stalking horse bid.

84. Following conclusion of the auction and prior to the sale hearing, significant disputes arose between the successful bidder at the auction, @Road, and MobileAria's largest customer. Skadden devoted significant around-the-clock efforts to support MobileAria's consensual resolution of these disputes, but such disputes ultimately resulted in @Road attempting to terminate its agreement to acquire MobileAria's assets on the eve of the sale hearing. MobileAria, with Skadden's assistance, was nevertheless able to reach agreement with its largest customer and its alternate bidder, hold the sale hearing as scheduled, and obtain approval of the sale of substantially all of MobileAria's assets to the alternate bidder. The purchase price was only approximately \$200,000 less than the @Road bid, still yielding nearly

²⁵ On June 6, 2006, MobileAria filed a Motion For Orders Under 11 U.S.C. §§ 363 And 365 And Fed. R. Bankr. P. 2002, 6004, 6006, And 9014 (A) Approving (I) Bidding Procedures, (II) Certain Bid Protections, (III) Form And Manner Of Sale Notices, And (IV) Sale Hearing Date And (B) Authorizing And Approving (I) Sale Of Certain Of The Debtors' Assets Comprising Substantially All Assets Of MobileAria, Inc. Free And Clear Of Liens, Claims, And Encumbrances, (II) Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, And (III) Assumption Of Certain Liabilities (Docket No. 4040). On June 22, 2006, this Court entered the Order Under 11 U.S.C. § 105(a) And Fed. R. Bankr. P. 2002 And 9014 Approving (I) Bidding Procedures, (II) Certain Bid Protections, (III) Form And Manner Of Sale Notices, and (IV) Setting Of A Sale Hearing (Docket No. 4328). The auction for the assets of MobileAria was held on July 6, 2006 and the sale hearing was held on July 19, 2006.

double the purchase price offered by the stalking horse. Thereafter, Skadden assisted MobileAria in consummating the sale of its assets and in reaching an agreement with @Road to retain part of its good faith deposit as a result of walking away from this transaction.

85. Finally, with the assistance of their advisors, the Debtors have begun the process of identifying additional assets that may be subject to divestiture, consolidation, or wind-down. During the Application Period, the Debtors also began the process of marketing those assets for divestiture and soliciting stalking horse bids. These efforts are anticipated to result in additional asset sale transactions pursuant to section 363 of the Bankruptcy Code in subsequent periods.

86. In connection with the foregoing services, Skadden expended 1,125.9 hours during the Application Period for which Skadden seeks compensation of \$554,644.²⁶ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-6. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Randall G. Reese	\$465	302.6	\$140,710
John K. Lyons	\$695	190.7	\$132,537
Joseph N. Wharton	\$485	142.4	\$69,064
Ron E. Meisler	\$540	70.3	\$37,962
Brent M. Houston	\$375	98.8	\$37,050
Allison V. Herriott	\$375	83.8	\$31,425
Albert L. Hogan III	\$620	44.1	\$27,342
M. Janine Jjingo	\$335	37.9	\$12,697

²⁶ This compares to \$117,199, or 1.3%, of the total fees requested in Skadden's first interim fee application for this matter and \$375,042, or 3.3%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Kurt Ramlo	\$560	19.2	\$10,752
Kayalyn A. Marafioti	\$795	8.5	\$6,758
Venera E. Ziegler	\$510	13.2	\$6,732
John (Jack) Wm. Butler, Jr.	\$835	7.8	\$6,513
Thomas J. Matz	\$560	10.2	\$5,712
Kathy Zambrano	\$410	10.6	\$4,346
Kellan Grant	\$410	8.0	\$3,280
Marie L. Gibson	\$585	5.0	\$2,926
Lisa B. Diaz	\$295	9.9	\$2,921
N. Lynn Hiestand	\$835	1.7	\$1,420
Peter Olasky	\$375	2.9	\$1,088
Paraprofessional Total		58.3	\$13,409
Total		1,125.9	\$554,644 (5.5%)
Voluntary fee accommodation excluded from total:			\$35,334

G. Claims Administration (General)

87. Prior to the Application Period, on April 12, 2006, the Court entered an order establishing July 31, 2006 as the bar date for filing proofs of claims (the "Bar Date"). Pursuant to the Bar Date procedures approved by this court, proofs of claim were sent to the Bankruptcy Court and docketed by KCC, who maintains the official claims register of the Bankruptcy Court in these cases.

88. Because the Bar Date passed during the Application Period, the Debtors, with the assistance of Skadden and other representatives of KCC, FTI Consulting, Inc. ("FTI"), and other outside advisors and service providers, devoted a significant amount of time to reviewing, reconciling, validating, and if appropriate, objecting to various proofs of claims that were filed. As part of the Debtors' reconciliation process, the Debtors classified proofs of claim by nature of claim (e.g., legal, trade payable, tax, treasury, equity, or human capital) and then assigned the claims to an analyst and a team leader for reconciliation. During the Application

Period, Skadden assisted the Debtors' claims reconciliation team in developing a strategy to reconcile proofs of claim and worked with the Debtors and FTI to formulate a process for review of, and objecting to, claims. Skadden also advised the Debtors' claims reconciliation team regarding the legal requirements for assessing properly filed proofs of claim and the bases for objecting to proofs of claim. Finally, both prior to and after the Bar Date, Skadden spent considerable time responding to claimants' questions left on the Delphi legal hotline regarding the filing and reconciling of proofs of claim.

89. As of November 2, 2006, the Debtors received more than 16,000 proofs of claim, a portion of which assert, in part or in whole, unliquidated claims. In addition, the Debtors have compared proofs of claim received to scheduled liabilities and determined that there are certain scheduled liabilities for which no proof of claim was filed. In the aggregate, these proofs of claim and scheduled liabilities assert more than \$37 billion in liquidated amounts plus certain unliquidated amounts. During the Application Period, Skadden assisted the Debtors in reviewing this voluminous number of claims to help the Debtors evaluate and estimate the amount and types of claims being asserted against the Debtors.

90. In connection with the claims reconciliation process, during the Application Period, the Debtors, with the assistance of Skadden and other members of the claims reconciliation team, identified numerous proofs of claim subject to objection on procedural grounds. Specifically, the Debtors identified approximately 500 liquidated claims in the approximate amount of \$1.69 billion that were either duplicates of other claims or were amended or superseded by other proofs of claim, and approximately 3,000 proofs of claim were filed based solely on ownership of Delphi common stock in the approximate liquidated amount of \$6.7 million plus unliquidated amounts.

91. Therefore, on September 19, 2006 the Debtors, with the assistance of Skadden, filed their first omnibus claims objection (Docket No. 5151) requesting the court to disallow and expunge certain proofs of claims that were either (i) duplicates of another proof of claim, (ii) subsequently amended or superseded by a later-filed proof of claim, or (iii) filed solely on account of ownership of Delphi Corporation common stock. The Debtors received numerous formal and informal responses to the first omnibus claims objection. During the Application Period the Debtors, with the assistance of Skadden, worked to resolve as many of the informal responses as possible, and after the Application Period, filed an omnibus reply to the responses formally filed by claimants (Docket No. 5342). Finally, after the Application Period, Skadden prosecuted the Debtors' first omnibus claims objection at the October 19, 2006 omnibus hearing and on October 24, 2006, this Court entered an order granting the Debtors' first omnibus claims objection (Docket No. 5390).

92. In addition, following the Bar Date, the Debtors noticed certain anomalies in the number of entries on the claim register that appeared to be proofs of claim that were received after the Bar Date. Consequently, the Debtors, with the assistance of Skadden, began an extensive factual inquiry of the procedures of KCC and The DRS Group ("DRS"), which was hired by KCC to serve as the agent for the clerk of the Court for the purpose of retrieving and date stamping proofs of claims that were submitted in these cases. This investigation revealed that some proofs of claim that may have been timely filed may not have been collected until the morning of August 1, 2006. In fact, further investigation by the Debtors and Skadden revealed that the vast majority of proofs of claim that were received by DRS beginning with the morning mail retrieval on August 1, 2006 and continuing through the mail retrievals on August 9, 2006 were stamped with an August 9, 2006 receipt date regardless of the actual retrieval date.

93. Skadden assisted the Debtors in investigating and evaluating this issue and determining the best approach to rectify the situation. On September 29, 2006, Skadden filed a motion seeking to have certain proofs of claim that were executed and dated by the claimant on or prior to the Bar Date, but which were stamped by DRS as having been received after the Bar Date on or prior to August 9, 2006, deemed timely filed.²⁷

94. In addition, due to the size and nature of these Reorganization Cases, Skadden anticipated that many disputes would regularly arise between the Debtors and other parties concerning a host of matters. These anticipated disputes include claims of governmental agencies regarding environmental, health, safety, and other regulations; terms and conditions of various contracts; and disagreements regarding accounts receivable and payable between the Debtors and businesses with which the Debtors interact. Given the number of disputes the Debtors anticipate resolving during the course of these Reorganization Cases, the Debtors determined that a streamlined procedural approach to resolving non-ordinary course disputes would be more economical than an individualized approach which would require obtaining court approval of each settlement. To benefit the Debtors' estates, creditors, shareholders, and other parties-in-interest, Skadden assisted the Debtors by drafting a motion (the "Settlement Procedures Motion") seeking authority to implement settlement procedures (the "Settlement Procedures") that would streamline the process of settling claims and controversies that are outside the Debtors' ordinary course of business without further hearing and notice, subject to certain limitations provided in the Settlement Procedures.

²⁷ The Creditors' Committee objected to the relief requested and in preparation for the October 19, 2006 omnibus hearing, the Debtors and Skadden attempted to resolve the Creditors' Committee's concerns. An agreement was not reached and the parties anticipated litigating the motion at the omnibus hearing. At the hearing, this Court suggested a resolution to the dispute and the Debtors, with the assistance of Skadden, have been working to implement the resolution with the Creditors' Committee. Despite negotiations between the parties after the hearing, the resolution of this matter had not yet been determined, and Skadden continues to advise and assist the Debtors regarding the possible resolution of this matter.

95. The Settlement Procedures Motion was objected to by Appaloosa Management L.P., Wexford Capital LLC, Lampe Conway & Co., LLC, Harbinger Capital Partners LLC, and Marathon Asset Management LLC (the "Ad Hoc Equity Committee"). The Debtors also received limited objections from Riverside Claims LLC and the Equity Committee. On June 19, 2006, a hearing was held on the Settlement Procedures Motion the Court granted the Motion with certain modifications to thresholds and notice requirements of the Settlement Procedures. Skadden consulted with counsel to the Creditors' Committee on proposed changes, and negotiated the terms of the order with counsel to the Ad Hoc Equity Committee and counsel to the Equity Committee. Ultimately, the Debtors, with the assistance of Skadden, reached an agreement with all of these parties on the terms of the proposed order. On June 29, 2006, the Court entered an order authorizing the Debtors to enter into the Settlement Procedures (Docket No. 4414) (the "Settlement Procedures Order").

96. In connection with the foregoing services, Skadden expended 1,142.2 hours during the Application Period for which Skadden seeks compensation of \$467,214.²⁸ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-7. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Randall G. Reese	\$465	149.2	\$69,378
Allison V. Herriott	\$375	162.7	\$61,014
John K. Lyons	\$695	66.8	\$46,427
M. Janine Jjingo	\$335	126.5	\$42,378
Lisa B. Diaz	\$295	128.5	\$37,909

²⁸ This compares to \$31,974, or 0.3%, of the total fees requested in Skadden's first interim fee application for this matter and \$151,245, or 1.3%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Thomas J. Matz	\$560	61.6	\$34,496
Brian M. Fern	\$485	65.5	\$31,769
Michael W. Perl	\$375	84.7	\$31,763
Ron E. Meisler	\$540	38.9	\$21,006
Nathan L. Stuart	\$440	33.9	\$14,916
Kayalyn A. Marafioti	\$795	17.6	\$13,993
John (Jack) Wm. Butler, Jr.	\$835	14.0	\$11,691
Kenneth Berlin	\$770	10.5	\$8,085
Brent M. Houston	\$375	18.8	\$7,050
Kurt Ramlo	\$560	4.0	\$2,240
Kathy Zambrano	\$410	4.1	\$1,681
Kellan Grant	\$410	3.2	\$1,312
John Guzzardo	\$375	3.4	\$1,275
Paraprofessional Total		148.3	\$28,831
Total		1,142.2	\$467,214 (4.7%)
Voluntary fee accommodation excluded from total:			\$41,612

Matters Between \$100,000 And \$400,000

H. Automatic Stay (Relief Actions)

97. As of the Petition Dates, the Debtors were parties to more than two hundred active and threatened lawsuits. Although section 362 of the Bankruptcy Code generally prohibits parties from pursuing actions against the Debtors on account of prepetition claims, during the Reorganization Cases, a limited number of complaints were filed postpetition on account of prepetition liabilities. The Debtors, with the assistance of Skadden, communicated effectively with opposing counsel to have such complaints withdrawn. Moreover, the Debtors have received numerous requests since the Petition Dates, including approximately forty-five motions, two of which were filed during the Application Period, seeking modification of the stay to allow the claimants to proceed against the Debtors in non-bankruptcy courts. Skadden worked with the

Debtors' legal department and other employees of the Debtors to reach a consensual resolution in response to many of the requests for modification or relief from the stay. In certain cases, however, the Debtors and the movant were unable to resolve their differences, and on those occasions, Skadden (and in certain instances Togut, Segal & Segal LLP ("Togut")) drafted objections to these lift stay motions. Five of these motions were litigated by Skadden attorneys during the Application Period.

98. To establish procedures to work with these parties and other similarly situated parties in an orderly fashion, minimizing the need for costly litigation, Skadden professionals worked with the Debtors' legal department, other employees of the Debtors, and the Debtors' insurance providers to develop procedures for consensually modifying the automatic stay to permit cost-effective and timely liquidation and settlement of certain pre-petition litigation claims that are covered under the Debtors' insurance policies. Skadden assisted the Debtors in drafting and presenting a Motion for Order Approving Procedures For Modifying The Automatic Stay To Allow for (i) Liquidating And Settling And/Or (ii) Mediating Certain Prepetition Litigation Claims (Docket No. 4038), and this Court entered an order approving such procedures on June 26, 2006 (Docket No. 4366) (the "Lift Stay Procedures"). Following entry of that order, Skadden attorneys worked closely with the Debtors and local attorneys representing the Debtors in various non-bankruptcy litigations to implement the Lift Stay Procedures. During the Application Period, Skadden participated in informal negotiations in an effort to resolve various lift-stay claims. In certain instances, mediation dates have been set to resolve numerous lift-stay claims, as provided for in the Lift Stay Procedures.

99. In addition, Skadden created guidelines to aid the Debtors' legal department and other employees of the Debtors in determining whether a particular claim would qualify for

participation under the Lift Stay Procedures. Skadden also assisted the Debtors' legal department almost daily regarding the application of these Lift Stay Procedures to various claims, and created forms for tracking information to be included in reports, as well as the format of such reports, that are required to be provided to the Creditors' Committee and its financial advisors under this Court's order approving the Lift Stay Procedures. Finally, Skadden drafted a form settlement and release agreement to be used when claims are successfully resolved under the Lift Stay Procedures.

100. In connection with the foregoing services, Skadden expended 794.2 hours during the Application Period for which Skadden seeks compensation of \$356,684.²⁹ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-8. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Brent M. Houston	\$375	304.0	\$114,000
Kurt Ramlo	\$560	115.0	\$64,400
Brian M. Fern	\$485	123.6	\$59,946
Kathy Zambrano	\$410	101.0	\$41,410
Ron E. Meisler	\$540	39.2	\$21,168
Thomas J. Matz	\$560	25.8	\$14,448
Kayalyn A. Marafioti	\$795	18.0	\$14,311
John (Jack) Wm. Butler, Jr.	\$835	7.4	\$6,180
Ramon M. Naguiat	\$440	12.9	\$5,676
Kellan Grant	\$410	10.8	\$4,428
Albert L. Hogan III	\$620	4.0	\$2,480
Lisa B. Diaz	\$295	5.9	\$1,741

²⁹ This compares to \$64,079, or 0.7%, of the total fees requested in Skadden's first interim fee application for this matter and \$140,233, or 1.2%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
M. Janine Jjingo	\$335	3.6	\$1,206
Paraprofessional Total		23.0	\$5,290
Total		794.2	\$356,684 (3.6%)
Voluntary fee accommodation excluded from total:			\$20,436

I. Nonworking Travel Time

101. Because of the extensive breadth of services that Skadden is providing to the Debtors in these Reorganization Cases, Skadden draws upon the experience and talent of a number of professionals from its worldwide organization including offices located in Chicago, New York, Washington, D.C., Los Angeles, and London, England. As this Court is aware, the Debtors are headquartered in Troy, Michigan, members of the Creditors' Committee are based in several states across the United States, the Debtors' postpetition lenders are based in New York, and many of the Debtors' other primary constituencies, including its unions and GM, are based in Michigan. As a consequence of these disparate locations and the Debtors' expectation and determined need that certain Skadden partners and associates be on site in Michigan on a regular basis as well as in other locations, including New York, for specific events, Skadden professionals frequently must necessarily travel among these and other locations. Among other things, Skadden professionals travel to meet with the Debtors' Board of Directors and senior management, creditor and equity constituencies, and to attend Court hearings. Skadden's professionals who spend time traveling, but not otherwise working, allocate their time to this billing category.

102. Skadden expended 1,205.8 hours during the Application Period devoted to non-working travel time for which Skadden seeks compensation of \$351,261.³⁰ This amount reflects a fifty-four percent (54%)³¹ reduction from Skadden's guideline hourly rates. Detailed time entries of each Skadden professional are attached hereto as Exhibit D-9. A summary of the hours incurred and value of the travel time for each professional is provided in the following table:

Name	Rate	Time	Value
John (Jack) Wm. Butler, Jr.	\$418	212.9	\$88,886
John K. Lyons	\$348	92.6	\$32,179
Randall G. Reese	\$233	135.6	\$31,528
Ron E. Meisler	\$270	106.4	\$28,728
Joseph N. Wharton	\$243	95.1	\$23,063
George N. Panagakis	\$377	54.7	\$20,649
Dhananjai Shivakumar	\$280	62.4	\$17,472
Allison V. Herriott	\$188	88.9	\$16,670
Keith D. Krakaur	\$377	29.1	\$10,985
Albert L. Hogan III	\$310	34.4	\$10,664
Lee P. Garner	\$280	31.9	\$8,932
Nick D. Campanario	\$233	33.9	\$7,882
Courtney E. VanLonkhuyzen	\$188	40.1	\$7,519
Lisa B. Diaz	\$148	37.7	\$5,561
Karen E. Willenken	\$255	19.4	\$4,947
Neil MacDonald	\$270	17.5	\$4,725
Brian M. Fern	\$243	17.0	\$4,123
John Guzzardo	\$187	21.0	\$3,937
Jay S. Berke	\$378	9.7	\$3,662

³⁰ This compares to \$290,270, or 3.2%, of the total fees requested in Skadden's first interim fee application for this matter and \$376,303, or 3.3%, of the total fees requested in Skadden's second interim fee application for this matter.

³¹ This reduction is comprised of the following: the elimination of approximately 116.2 hours of billed time during the Application Period as an additional accommodation to the Debtor, and thereafter, a fifty-percent (50%) reduction to the guideline hourly rates. The eliminated time charges primarily related to extended travel time occasioned by weather and air traffic.

Name	Rate	Time	Value
Kenneth Berlin	\$385	9.3	\$3,581
Marian P. Wexler	\$385	9.3	\$3,581
Kathy Zambrano	\$205	16.7	\$3,423
Nathan L. Stuart	\$220	15.5	\$3,410
Christopher J. Gunther	\$330	9.2	\$3,036
John P. Furfaro	\$385	5.5	\$2,118
Total		1,205.8	\$351,261 (3.5%)
Voluntary fee accommodation excluded from total:			\$405,014

J. Creditor Meetings/Statutory Committees

103. This category of time relates to meetings with various creditor and equity constituencies, and, in particular, with the Creditors' Committee and the Equity Committee (the "Statutory Committees") and their respective legal and financial advisors. Throughout the Application Period, Skadden regularly communicated with the Statutory Committees and their respective advisors regarding the progress and status of the Reorganization Cases.

104. In addition to day-to-day communication, during the Application Period, Skadden represented the Debtors at four formal meetings with the Creditors' Committee and its professional advisors, as well as four formal meetings with the Equity Committee and its advisors. The formal monthly meetings have provided a forum for the Statutory Committees (including their members) to address general and specific concerns. In addition to the formal meetings with the Statutory Committees, during the Application Period, the Debtors also held smaller sessions with the professionals for the Statutory Committees. These meetings have allowed the Debtors to keep the Statutory Committee members and professionals informed as to upcoming issues, such as motions to be heard at the monthly omnibus hearings, the status of the Debtors' transformation plan, development and negotiations concerning the framework

agreement, and actions to be undertaken in furtherance of the transformation plan and the framework agreement. The Debtors believe that these efforts have likely eliminated potential objections that the Statutory Committees might have filed to some of the Debtors' motions by communicating with the Statutory Committees in advance of filings and anticipated transactions, thus avoiding some unnecessary litigation expenses. Skadden assisted the Debtors in preparing for these meetings, including the coordination of information and status reports regarding implementation of various orders and other relevant matters.

105. In addition, during the Application Period, Skadden was required to devote resources to various motions affecting the Statutory Committees. In particular, on July 28, 2006, Skadden assisted the Debtors in obtaining Court approval of the Debtors' Motion For Approval Of Joint Interest Agreement Between Debtors And Official Committee of Equity Security Holders And Implementation Of Protective Order With Respect Thereto (Docket No. 4722). The Joint Interest Agreement between the Debtors and the Equity Committee allows the Debtors to share certain confidential, and sometimes privileged, information with the Equity Committee regarding primarily the Debtors relationship with GM. Additionally, during the Application Period, the Debtors, with Skadden's assistance, worked to develop information sharing protocols with the Equity committee to govern the sharing of relevant information between the parties. Once a protocol was reached, Skadden assisted the Debtors in providing information to the Equity committee pursuant to that protocol.

106. Finally, during the Application Period, the Debtors received a request for document production by an ad hoc committee of trade claimants. Skadden assisted the Debtors in reviewing and analyzing this request, and negotiating a non-disclosure agreement to produce certain requested documents.

107. In connection with the foregoing services, Skadden expended 755.4 hours during the Application Period for which Skadden seeks compensation of \$341,135.³² Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-10. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Kayalyn A. Marafioti	\$795	84.5	\$67,179
Thomas J. Matz	\$560	97.7	\$54,712
Allison V. Herriott	\$375	131.3	\$49,238
John (Jack) Wm. Butler, Jr.	\$835	56.4	\$47,095
Ron E. Meisler	\$540	56.8	\$30,672
John Guzzardo	\$375	32.8	\$12,300
Adlai S. Hardin	\$540	20.6	\$11,124
M. Janine Jjingo	\$335	31.4	\$10,520
Nathan L. Stuart	\$440	22.1	\$9,724
Kathy Zambrano	\$410	22.7	\$9,307
Eric L. Cochran	\$795	3.9	\$3,101
Michael W. Perl	\$375	8.2	\$3,076
Marian P. Wexler	\$770	3.8	\$2,926
Lisa B. Diaz	\$295	7.4	\$2,183
Peter Olasky	\$375	2.9	\$1,088
Randall G. Reese	\$465	2.2	\$1,023
Paraprofessional Total		170.7	\$25,867
Total		755.4	\$341,135 (3.4%)
Voluntary fee accommodation excluded from total:			\$18,455

³² This compares to \$415,954, or 4.5%, of the total fees requested in Skadden's first interim fee application for this matter and \$1,527,032, or 13.5%, of the total fees requested in Skadden's second interim fee application for this matter.

K. Supplier Matters

108. As previously stated, Delphi is the largest industrial company ever to seek chapter 11 relief. The Debtors' manufacturing operations depend upon the timely delivery of goods and services from thousands of separate suppliers that are party to more than 96,000 distinct supply agreements. Management of the Debtors' supply chain issues was further complicated by the Debtors' reliance, consistent with normal automotive industry practice, on "just-in-time" inventory management systems and "sole source" supply methods. As discussed in detail in motions filed earlier in these cases,³³ use of the just-in-time supply method means that the Debtors do not maintain a significant inventory of the components supplied by many of their suppliers. Pursuant to the sole source supply method, the Debtors frequently purchase all their requirements for a particular part from one supplier, each of which must meet demanding specifications imposed by both the Debtors and their OEM customers before they can be used in manufacturing the Debtors' products.

109. The Debtors' use of just-in-time inventory management and sole source supply methods results in, among other things, the following unique risks to the Debtors' businesses: (a) a failure by a supplier to timely ship goods may force the Debtors' manufacturing facilities using those parts to shut down less than 24 hours after the missed shipment and the Debtors' OEM customer's manufacturing facilities to shut down less than 48 hours after the missed shipment and (b) the Debtors are unable to re-source parts to another supplier in the short term. The Debtors' postfiling supply chain management has been further complicated by the fact

³³ See, e.g., Motion for Order Under 11 U.S.C. §§ 105(a), 363, 364, 1107, and 1108 and Fed. R. Bankr. P. 6004 and 9019 Authorizing Continuation of Vendor Rescue Program and Payment of Prepetition Claims of Financially-Distressed Sole Source Suppliers and Vendors Without Contracts, dated October 13, 2005 (Docket No. 17); Motion for Order Under 11 U.S.C. §§ 363(b) and 365(a) and Fed. R. Bankr. P. 9019 Approving Procedures to Assume Certain Amended and Restated Sole Source Supplier Agreements, dated November 18, 2005 (Docket No. 1098).

that many of the Debtors' suppliers are facing similar financial pressures to those faced by the Debtors. The financial instability of some of such suppliers was significantly exacerbated by the Debtors' chapter 11 filings and the large prepetition amounts owed to suppliers at the time of the Debtors' filings.

110. During the Application Period, Skadden continued to assist the Debtors in managing numerous supply chain issues to avoid any interruptions in the supply of goods and services to the Debtors' manufacturing operations. In particular, the Debtors continued to address supplier issues pursuant to the various supplier-related "first day" orders that were approved by the Court early in these cases, as well as this Court's order dated December 12, 2005 (Docket No. 1494) (the "SAAP Order") granting the Debtors authority to assume agreements covering the supply of goods that the Debtors determine are critical to their on-going business operations. This required the Debtors, with the assistance of Skadden, to negotiate a significant number of agreements with multiple suppliers pursuant to such orders. During the Application Period, Skadden also devoted time to negotiations with suppliers regarding the extension or replacement of expiring supply agreements, including pursuant to the procedures approved by the Court in the SAAP Order.

111. In connection with the foregoing services, Skadden expended 807.1 hours during the Application Period for which Skadden seeks compensation of \$331,877.³⁴ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-11. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

³⁴ This compares to \$1,032,388, or 11.2%, of the total fees requested in Skadden's first interim fee application for this matter and \$539,862, or 4.8%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
John K. Lyons	\$695	144.3	\$100,290
Randall G. Reese	\$465	212.2	\$98,674
William M. Rohner	\$440	121.3	\$53,372
Lisa B. Diaz	\$295	80.3	\$23,689
Kellan Grant	\$410	28.4	\$11,644
Ron E. Meisler	\$540	20.0	\$10,800
Allison V. Herriott	\$375	23.3	\$8,738
Michael W. Perl	\$375	17.5	\$6,563
Kurt Ramlo	\$560	2.3	\$1,288
Thomas J. Matz	\$560	2.3	\$1,288
Paraprofessional Total		155.2	\$15,531
Total		807.1	\$331,877 (3.3%)
Voluntary fee accommodation excluded from total:			\$20,207

L. Tax Matters

112. In connection with the development and negotiation of the framework agreement and to lay the ground work for a potential plan of reorganization and emergence from chapter 11, during the Application Period Skadden began analyzing certain tax ramifications of various framework agreement proposals. In particular, Skadden professionals researched the Debtors' ability to utilize certain advantageous tax rules available under section 382 of the Internal Revenue Code that could arise under the various scenarios proposed in the framework discussions. These issues include, among other things, matters related to change in control and potential limitations on the uses of net operating losses and other tax assets after emerging from chapter 11. In addition, Skadden began researching certain income tax ramifications resulting from the framework agreement proposals.

113. Additionally, during the Application Period, the Debtors filed their Form 1120 with respect to certain taxes that were due for fiscal year 2005. In connection with this

filing, Skadden assisted the debtors in analyzing various issues regarding the ability of a chapter 11 debtor to make payment of certain taxes under the Bankruptcy Code. Finally, Skadden began researching whether the Debtors would be able to set off certain tax obligations that may be owed by Delphi against other amounts owed to Delphi by other governmental agencies.

114. In connection with the foregoing services, Skadden expended 592.4 hours during the Application Period for which Skadden seeks compensation of \$319,866.³⁵ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-12. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Eric B. Sensenbrenner	\$560	137.8	\$77,168
Aaron S. Feinberg	\$465	68.9	\$32,039
Daniel P. Phillips	\$540	54.7	\$29,538
Kayalyn A. Marafioti	\$795	35.3	\$28,064
Michael W. Perl	\$375	66.5	\$24,938
Cliff Gross	\$770	30.6	\$23,562
David A. Schneider	\$560	38.6	\$21,616
Thomas J. Matz	\$560	37.6	\$21,056
Jody J. Brewster	\$695	26.5	\$18,419
Joseph N. Wharton	\$485	28.6	\$13,871
Allen Stenger	\$410	27.8	\$11,398
M. Janine Jjingo	\$335	20.5	\$6,868
John K. Lyons	\$695	4.5	\$3,128
Kurt Ramlo	\$560	5.3	\$2,968
Ron E. Meisler	\$540	5.0	\$2,700
Eric L. Cochran	\$795	1.6	\$1,272

³⁵ This compares to \$932,086, or 10.1%, of the total fees requested in Skadden's first interim fee application for this matter and \$82,775, or 0.7%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Brian M. Fern	\$485	2.6	\$1,261
Total		592.4	\$319,866 (3.2%)
Voluntary fee accommodation excluded from total:			\$21,179

M. Employee Matters (General)

115. As of the Petition Dates, the Company employed approximately 180,000 employees worldwide, of which 50,600 were employees in the United States at approximately 44 manufacturing sites, 13 technical centers, and Delphi's Troy, Michigan headquarters. Approximately 34,750 of the Debtors' U.S. employees were hourly employees as of the Petition Dates, and 96% of these are union-represented. Outside the United States, the Company's foreign entities employed more than 134,000 people on the Petition Dates, supporting 120 manufacturing sites and 20 technical centers in nearly 40 countries around the globe.

116. During the Reorganization Cases, the Debtors have been attempting to restructure the compensation programs of all of their employees to market-competitive levels. Among other human capital programs, Skadden, along with the Debtors' other advisors, continue to advise the Debtors in connection with the Debtors' reassessment of the employment proposition that the Company could offer its executive workforce in light of current U.S. and marketplace economic realities. The result of this evaluation led to Skadden's drafting, prior to the Application Period, of a motion (the "KECP Motion") to implement a key employee compensation program ("KECP") based on recommendations made by the Debtors' outside compensation consultant as adopted by the Compensation Committee of Delphi's Board of Directors. The Court subsequently conducted an evidentiary hearing on the Debtors' request to restore a limited portion of the at-risk compensation opportunities available to the Debtors' executives prepetition by implementing a short-term annual incentive program ("AIP") for the

first six months of 2006 which was approved pursuant to an order entered by this Court on February 17, 2006 (Docket No. 2441) (the "AIP Order").

117. During the Application Period, Skadden drafted a supplement to the KECP Motion (the "KECP Supplement") seeking this Court's authority to fix second half 2006 AIP targets and continue the AIP program under substantially the same terms and conditions outlined in the AIP Order. Six unions and "the Court-appointed Lead Plaintiffs" in the consolidated multi-district securities class action entitled In re Delphi Corp. Securities Litigation, Master File No. 05 MD 1725 (E.D. Mich.) (Rosen, J.) (the "Lead Plaintiffs") objected to the KECP Supplement (collectively, the "KECP Supplement Objectors"). Skadden reviewed and produced to the KECP Supplement Objectors several hundred pages of documents related to the KECP Supplement. Skadden also prepared for a contested hearing related to the KECP Supplement. At the July 19, 2006 Omnibus Hearing, the Court approved the Debtors' request to (a) continue the AIP and fix second half 2006 AIP targets and (b) further adjourn the KECP emergence incentive program. In addition, continuation of the AIP and fixing 2007 AIP targets was adjourned to a later hearing, now set for January 11, 2007. Subsequently, Skadden continued discussions with the Creditors' Committee on issues related to the KECP emergence incentive program, and a hearing on this matter has been consensually adjourned to January 11, 2007.

118. In connection with the foregoing services, Skadden expended 602.4 hours during the Application Period for which Skadden seeks compensation of \$308,544.³⁶ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit

³⁶ This compares to \$879,786, or 9.6%, of the total fees requested in Skadden's first interim fee application for this matter and \$359,097, or 3.2%, of the total fees requested in Skadden's second interim fee application for this matter.

D-13. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Nick D. Campanario	\$465	178.0	\$82,771
Brian M. Fern	\$485	155.7	\$75,515
Albert L. Hogan III	\$620	102.8	\$63,736
John (Jack) Wm. Butler, Jr.	\$835	46.9	\$39,163
John Guzzardo	\$375	44.6	\$16,725
Thomas J. Matz	\$560	16.1	\$9,016
Neil MacDonald	\$540	10.0	\$5,400
Ron E. Meisler	\$540	7.7	\$4,158
Kayalyn A. Marafioti	\$795	4.4	\$3,498
Kurt Ramlo	\$560	3.0	\$1,680
Paraprofessional Total		33.2	\$6,882
Total		602.4	\$308,544 (3.1%)
Voluntary fee accommodation excluded from total:			\$12,807

N. Business Operations/Strategic Planning

119. This matter covers Skadden's work with the Debtors' senior management, investment bankers, financial advisors, and other business and legal advisors in considering restructuring strategies and initiatives. Among other matters, senior Skadden lawyers participate in weekly meetings at the Company's headquarters, including Delphi Transformation Committee meetings. Skadden also participated in numerous strategy sessions, meetings, and calls to consider such major case issues as the Debtors' development of (a) their transformation plan, (b) a comprehensive, go-forward, and a 2006-2010 restructuring business plan, (c) the framework discussions, and (d) various scenarios, considerations, and ramifications regarding the Reorganization Cases. Furthermore, Skadden assisted the Debtors with respect to operational issues as they relate to these Reorganization Cases, including, without limitation, conducting

negotiations with the Creditors' Committee and Equity Committee as well as analyzing certain proposed strategic intercompany transactions.

120. In furtherance of the Debtors' transformation plan, during the Application Period the Debtors, with the assistance of Skadden and other outside counsel, entered into two agreements for the outsourcing of certain information technology services. One agreement was with Electronic Data Systems Corporation and EDS Information Services, LLC, which provides for the outsourcing of global desktops, service desks, and mainframe systems hosting (the "EDS Agreement"). The second agreement was between Delphi and Hewlett Packard Company to allow the Debtors to outsource server systems hosting (and together with the EDS Agreement, the "IT Infrastructure Outsourcing Agreements"). The aggregate projected cost of the IT Infrastructure Outsourcing Agreements is approximately \$700-\$800 million over the seven-year term of the agreements, but after one-time transition costs of \$80 million, the Debtors expect that the IT Infrastructure Outsourcing Agreements will result in a net operating savings of \$155 over the term of the agreements.

121. Skadden took the lead role in drafting and preparing the necessary motions to obtain this Court's approval of the IT Infrastructure Outsourcing Agreements and assisted the Debtors throughout the process of communicating the substance of the Debtors' getting approval, including, without limitation, preparing material for and holding working group sessions with the Creditors' Committee to communicate the substance of the Debtors' request and apprise the Creditors' Committee of the rationale behind the Debtors' business judgment. Due to proprietary and confidential information contained in the IT Infrastructure Outsourcing Agreements, on September 26, 2006, the Debtors, with the assistance of Skadden, filed an ex parte motion for authority to file the IT Infrastructure Outsourcing Agreements under seal (Docket No. 5198),

which was granted on September 28, 2006 (Docket No. 5231). On September 29, 2006, the Debtors filed the motion seeking authority to enter into the IT Infrastructure Outsourcing Agreements (Docket No. 5237) and on October 23, 2006 the Court entered an order approving the IT Infrastructure Outsourcing Agreements (Docket No. 5378). Although the motion seeking authority to enter into the IT Outsourcing Agreements was heard and the order approving such Agreements was entered after the Application Period, all of the negotiations and drafting took place during the Application Period.

122. In connection with the foregoing services, Skadden expended 518.1 hours during the Application Period for which Skadden seeks compensation of \$304,824.³⁷ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-14. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
John (Jack) Wm. Butler, Jr.	\$835	97.7	\$81,580
Brian M. Fern	\$485	149.7	\$72,606
Eric L. Cochran	\$795	37.0	\$29,416
Ron E. Meisler	\$540	52.9	\$28,566
Thomas J. Matz	\$560	37.0	\$20,720
Kayalyn A. Marafioti	\$795	17.7	\$14,072
George N. Panagakis	\$755	15.5	\$11,704
John K. Lyons	\$695	12.4	\$8,618
Nathan L. Stuart	\$440	17.1	\$7,524
Michael W. Perl	\$375	19.0	\$7,126
Allison V. Herriott	\$375	10.0	\$3,751
Kellan Grant	\$410	9.0	\$3,690
Kathy Zambrano	\$410	7.0	\$2,870

³⁷ This compares to \$258,753, or 2.8%, of the total fees requested in Skadden's first interim fee application for this matter and \$192,132, or 1.7%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Marian P. Wexler	\$770	3.3	\$2,541
Brent M. Houston	\$375	6.7	\$2,512
Kurt Ramlo	\$560	4.2	\$2,352
John P. Furfaro	\$770	1.7	\$1,309
Paraprofessional Total		20.2	\$3,867
Total		518.1	\$304,824 (3.0%)
Voluntary fee accommodation excluded from total:			\$10,534

O. Retention/Fee Matters/Objections (Others)

123. Reorganization cases as large and complex as these require the coordinated efforts of a number of restructuring advisors and professionals. To this end, during the Application Period, Skadden assisted the Debtors in retaining PricewaterhouseCoopers LLP to provide certain services in connection with Sarbanes-Oxley compliance, tax and financial planning, and other general tax consulting services to the Debtors. Skadden, on behalf of the Debtors, also worked with FTI to expand the scope of its employment as restructuring and financial advisor to the Debtors to include the provision of certain economic consulting services, including, without limitation, an evaluation of potential liability related to the multi-district litigation class action litigations filed against, among others, Delphi and certain current and/or former officers and directors. In addition, during the Application Period, the Debtors, with the assistance of Skadden, began the process of preparing additional retention and supplemental retention applications for various other professional firms, which applications the Debtors anticipate will be filed during subsequent applications periods. When necessary, Skadden conferred with the Debtors and the professionals to be retained and provided assistance with evaluating discrete issues affecting the Debtors' retention of these professionals.

124. Furthermore, during the Application Period, Skadden advised the Debtors regarding the retention, pursuant to the Order Under 11 U.S.C. §§ 327, 330, and 331 Authorizing Retention Of Professionals Utilized By Debtors In Ordinary Course Of Business (the "Ordinary Course Professionals Order"), of approximately five ordinary course professionals who provide the Debtors with various non-restructuring legal, accounting, and other professional services. Because the Ordinary Course Professional Order requires any ordinary course professional to file an affidavit prior to being retained and compensated by the Debtors, Skadden assisted the Debtors in tracking which professionals had filed such affidavits and when the expiration of the individual objection periods had occurred, permitting the Debtors then to pay such ordinary course professionals.

125. In accordance with the requests of the U.S. Trustee, the Ordinary Course Professionals Order requires that any ordinary course professional whose fees exceed \$50,000 per month or \$500,000 in the aggregate during the pendency of these Reorganization Cases must be retained pursuant to a formal retention application to receive future compensation from the Debtors. Accordingly, during the Application Period, Skadden, on behalf of the Debtors, assisted DLA Piper US LLP, one of the Debtors' ordinary course professionals, in preparing its formal retention application, which was ultimately filed after the Application Period on October 30, 2006 (Docket No. 5439).

126. In connection with the foregoing services, Skadden expended 679.3 hours during the Application Period for which Skadden seeks compensation of \$241,482.³⁸ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit

³⁸ This compares to \$377,176, or 4.1%, of the total fees requested in Skadden's first interim fee application for this matter and \$431,545, or 3.8%, of the total fees requested in Skadden's second interim fee application for this matter.

D-15. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
M. Janine Jjingo	\$335	316.9	\$106,162
Thomas J. Matz	\$560	72.2	\$40,432
Venera E. Ziegler	\$510	74.2	\$37,842
John K. Lyons	\$695	16.8	\$11,676
John (Jack) Wm. Butler, Jr.	\$835	4.6	\$3,842
Ron E. Meisler	\$540	6.9	\$3,726
Kayalyn A. Marafioti	\$795	4.6	\$3,658
Nathan L. Stuart	\$440	5.8	\$2,552
Allison V. Herriott	\$375	3.9	\$1,463
Brent M. Houston	\$375	3.7	\$1,388
Paraprofessional Total		169.7	\$28,741
Total		679.3	\$241,482 (2.4%)
Voluntary fee accommodation excluded from total:			\$32,112

P. Claims Administration (Reclamation/Trust Funds)

127. As previously disclosed to this Court, the Debtors received roughly 855 unique reclamation demands containing nearly 100,000 lines of data, with a total face amount of more than \$285 million. During the Application Period, Skadden continued to work with the Debtors and their business advisors in negotiating with suppliers regarding disagreements over the amount of individual reclamation claims. As part of these negotiations, Skadden reviewed reclamation demands and supporting documents and drafted a significant amount of correspondence, including reclamation response statements and settlement letters.

128. These efforts required substantial assistance from Skadden in advising the Debtors regarding their legal obligations under the reclamation procedures, including, for example, analyzing demands covering various types of inventory. As in prior application periods, Skadden continued to correspond with numerous claimants and work with the Debtors and their

financial advisors to design training materials and process protocols for on-going negotiations with suppliers. As a result of these continual negotiations with reclamation claimants since the Petition Dates and through the end of the Application Period, more than 725 of the original 855 non-duplicate claims were resolved (either consensually or by default) as of September 30, 2006, subject to reservations of further defenses.

129. In addition, the Debtors, with Skadden's assistance, successfully objected to the motion of Speedline Technologies, Inc. ("Speedline Technologies"), a reclamation claimant who sought the immediate return of its reclaimed goods or, in the alternative, payment of an administrative expense claim. The Creditors' Committee also objected to Speedline's motion, arguing that the lien on the Debtors' assets held by the Debtors' prepetition secured lenders rendered valueless the administrative priority of Speedline Technologies' reclamation claims.

130. The Debtors, with the assistance of Skadden, disagreed with both Speedline Technologies and the Creditors' Committee. The Debtors asserted that it could not then be known whether the existence of a prior perfected lien negated the potential administrative priority of reclamation claims, and that a reclamation claimant must wait until it could be determined how the secured debt would be satisfied pursuant to a confirmed plan of reorganization. As a result of the efforts of the Debtors and Skadden, the Debtors prevailed at the hearing on the motion on August 17, 2006, and this Court issued a ruling denying Speedline Technologies' motion and not granting the Creditors' Committee's objection (Docket No. 5372).

131. In connection with the foregoing services, Skadden expended 462.2 hours during the Application Period for which Skadden seeks compensation of \$271,669.³⁹ Detailed

³⁹ This compares to \$134,926, or 1.5%, of the total fees requested in Skadden's first interim fee application for this matter and \$142,265, or 1.3%, of the total fees requested in Skadden's second interim fee application for this matter.

time entries of each Skadden professional related to these services are attached hereto as Exhibit D-16. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Joseph N. Wharton	\$485	322.6	\$156,462
John K. Lyons	\$695	30.5	\$21,198
M. Janine Jjingo	\$335	53.3	\$17,856
Ron E. Meisler	\$540	11.8	\$6,372
Albert L. Hogan III	\$620	8.0	\$4,960
John (Jack) Wm. Butler, Jr.	\$835	2.4	\$2,004
Thomas J. Matz	\$560	3.3	\$1,848
Paraprofessional Total		30.3	\$6,969
Total		462.2	\$217,669 (2.2%)
Voluntary fee accommodation excluded from total:			\$25,837

Q. General Corporate Advice

132. During the Application Period, Skadden attended meetings of the Delphi Board of Directors which required, among other things, working with the Debtors' various professionals and the Debtors' senior management to prepare detailed materials for distribution and discussion. In connection with these meetings and in the course of the Debtors' daily operations, in addition to general restructuring advice, Skadden devoted time advising the Debtors' management and Board of Directors on other general corporate governance matters as they relate to the reorganization.

133. Also during the Application Period, Skadden advised the Debtors in connection with the preparation of the Debtors' regulatory filings with the Securities and Exchange Commission, including the Debtors' Form 8-Ks, which are issued in connection with disclosure issues on matters such as material agreements, financial matters, and the Debtors' monthly operating reports, as well as in connection with internal and external communication

matters. In addition, during the Application Period, Skadden assisted the Debtors in preparing and filing the Form 10-K for the year ended December 31, 2005, which was filed on July 11, 2006, and the Form 10-Q quarterly reports for the periods ending on March 31, 2006 and June 30, 2006, which were filed on August 15, 2006.

134. In addition, during the Application Period, Skadden assisted the Debtors on various matters relating to the trust preferred securities. Delphi is a party to two declarations of trust pursuant to which two series of trust preferred securities, the 8.25% Cumulative Trust Preferred Securities and the Adjustable Rate Trust Preferred Securities, were issued in 2003. Pursuant to the declarations of trust, the trusts that issued these preferred securities were liquidated shortly after the conclusion of the Application Period as a result of the filing of these chapter 11 cases. In exchange for their book-entry interests in the global certificates issued pursuant to the declarations of trust, holders of the preferred securities received pro rata interests in two global notes issued by Delphi. Skadden assisted in connection with the liquidation of the trusts and the exchange of the preferred securities for interests in the global notes. During the Application Period, the Debtors, with Skadden's assistance, negotiated the arrangements with the indenture trustee and Skadden reviewed and commented on relevant documentation.

135. In connection with the foregoing services, Skadden expended 248.6 hours during the Application Period for which Skadden seeks compensation of \$161,208.⁴⁰ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-17. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

⁴⁰ This compares to \$340,687, or 3.7%, of the total fees requested in Skadden's first interim fee application for this matter and \$249,312, or 2.2%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
John (Jack) Wm. Butler, Jr.	\$835	57.4	\$47,930
Eric L. Cochran	\$795	41.1	\$32,676
Adlai S. Hardin	\$540	45.1	\$24,354
Kayalyn A. Marafioti	\$795	17.8	\$14,151
Thomas J. Matz	\$560	16.5	\$9,240
Marie L. Gibson	\$585	11.5	\$6,728
Peter Olasky	\$375	15.8	\$5,926
Kathy Zambrano	\$410	10.4	\$4,264
Ron E. Meisler	\$540	6.2	\$3,348
George N. Panagakis	\$755	4.0	\$3,020
Brian M. Fern	\$485	5.6	\$2,717
Marian P. Wexler	\$770	2.1	\$1,617
Allison V. Herriott	\$375	4.1	\$1,538
Louis D. Wilson	\$510	2.3	\$1,173
Gregory O. Ogunsanya	\$440	2.5	\$1,100
Paraprofessional Total		6.2	\$1,426
Total		248.6	\$161,208 (1.6%)
Voluntary fee accommodation excluded from total:			\$17,091

R. Secured Claims

136. Throughout the Application Period, the Debtors, with Skadden's assistance continued to work with and meet with their prepetition lenders to keep them reasonably informed with respect to these Reorganization Cases.

137. Skadden also devoted time to reconciling requests for setoff under the DIP Financing Order.⁴¹ Paragraph 18 of the DIP Financing Order sets forth comprehensive procedures by which customers and suppliers of the Debtors can exercise and resolve their setoff rights without having to file motions to lift the automatic stay. Accordingly, during the Application Period, the Debtors and their advisors devoted time to analyzing and resolving

⁴¹ Skadden and Togut, the Debtors' conflicts counsel, work cooperatively to handle the dozens of setoff requests received to date with careful attention to ensure no duplication of efforts.

numerous setoff requests by customers and suppliers who sought to exercise setoff rights under the DIP Financing Order, including certain setoff requests by GM. In seeking to resolve these setoff claims, Skadden tracked the setoff claims, researched their validity, and ultimately negotiated resolutions of the claims.

138. Skadden also dealt with a number of issues regarding assertion of liens against the Debtors. Prior to the Application Period, four complaints were filed to establish the validity, extent, and priority of liens, three of which were previously resolved consensually. With regard to the fourth complaint, which was filed by L&W Engineering, Co. and Southtec, LLC (the "L&W Plaintiffs"), during the Application Period, the Debtors, with the assistance of Skadden, continued to review the allegations and researched the legal issues raised by the complaint, in connection with completing and filing an answer and counterclaim on June 2, 2006.

139. Furthermore, on June 27, 2006 the L&W Plaintiffs filed their answer to the Debtors' counterclaim. Subsequently and throughout the Application Period, both the Debtors and the L&W Plaintiffs filed dispositive motions and related pleadings for a ruling on the merits of the claims, including, without limitation, motions for judgment on the pleadings, statements of material facts, responses, and replies. In connection with reviewing and preparing these pleadings, Skadden professionals conducted legal research and otherwise developed their litigation strategy in an effort to prevail on the merits in this adversary proceeding.

140. In addition, Skadden advised the Debtors about potential settlement of pending adversary proceeding, and Skadden participated in several discussions with the L&W Plaintiffs' attorneys about the prospects for settling this matter. Due to the ongoing negotiations on this matter, as of the end of the Application Period, the parties agreed to adjourn this matter to

the November 30, 2006 omnibus hearing. Subsequently, the parties further adjourned this matter to the omnibus hearing scheduled for April 2007.

141. In connection with the foregoing services, Skadden expended 354.5 hours during the Application Period for which Skadden seeks compensation of \$153,028.⁴² Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-18. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
William M. Rohner	\$440	77.8	\$34,232
Sina Toussi	\$540	44.1	\$23,814
Ron E. Meisler	\$540	33.1	\$17,874
Albert L. Hogan III	\$620	27.3	\$16,926
Venera E. Ziegler	\$510	32.8	\$16,728
Kellan Grant	\$410	36.5	\$14,965
M. Janine Jjingo	\$335	25.5	\$8,543
Thomas J. Matz	\$560	6.7	\$3,752
Allison V. Herriott	\$375	9.1	\$3,413
John (Jack) Wm. Butler, Jr.	\$835	3.7	\$3,090
John K. Lyons	\$695	3.2	\$2,224
Brent M. Houston	\$375	3.0	\$1,125
Paraprofessional Total		51.7	\$6,342
Total		354.5	\$153,028 (1.5%)
Voluntary fee accommodation excluded from total:			\$7,580

⁴² This compares to \$236,983, or 2.6%, of the total fees requested in Skadden's first interim fee application for this matter and \$266,437, or 2.4%, of the total fees requested in Skadden's second interim fee application for this matter.

S. Retention/Fee Matters (SASM&F)

142. Skadden is one of the largest law firms in the world, with more than 1,700 attorneys located in 22 offices in 11 countries. Because of the number of the Debtors' business relationships and the number of Skadden's business clients, Skadden has been required to spend significant time since the commencement of the Reorganization Cases with respect to retention and fee issues. In particular, Skadden conducted an extensive relationship and disclosure search in connection with being retained as Debtors' counsel. In addition, as new parties have become involved in aspects of these cases, Skadden has conducted supplementary disclosure searches and Skadden also periodically refreshes its searches to ensure the disclosure of new clients when warranted. Finally, pursuant to the requirements of the Interim Compensation Order, Skadden prepares detailed monthly compensation packages for distribution and is required to prepare and file interim fee applications in accordance with the established procedures.

143. In connection with the foregoing services, Skadden expended 339.5 hours during the Application Period for which Skadden seeks compensation of \$134,152.⁴³ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-19. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Michael W. Perl	\$375	72.8	\$27,301
Kathy Zambrano	\$410	54.5	\$22,345
Ron E. Meisler	\$540	32.8	\$17,712
Joseph N. Wharton	\$485	33.8	\$16,394

⁴³ This compares to \$58,023, or 0.6%, of the total fees requested in Skadden's first interim fee application for this matter and \$191,088, or 1.7%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
John (Jack) Wm. Butler, Jr.	\$835	13.8	\$11,523
Lisa B. Diaz	\$295	21.6	\$6,373
Allison V. Herriott	\$375	14.1	\$5,288
Kayalyn A. Marafioti	\$795	5.2	\$4,135
Ronald D. Kohut	\$410	5.7	\$2,337
M. Janine Jjingo	\$335	5.1	\$1,709
Randall G. Reese	\$465	3.4	\$1,581
Nick D. Campanario	\$465	3.0	\$1,395
Thomas J. Matz	\$560	1.8	\$1,008
Paraprofessional Total		71.9	\$15,051
Total		339.5	\$134,152 (1.3%)
Voluntary fee accommodation excluded from total:			\$39,656

T. Environmental Matters

144. Skadden assisted the Debtors in their efforts to comply with environmental law while also complying with the requirements of the Bankruptcy Code. Analysis of the Debtors' potential environmental liabilities raises particularly complex factual issues because, among other reasons, a large portion of those liabilities arise from actions or operations that took place before the Debtors' separation from GM. As a result, research many legal issues was required.

145. In addition, many of the U.S. plants that Delphi intends to wind down may present environmental concerns. Therefore, Skadden, assisted the Debtors in developing strategy regarding potential alternatives for addressing these potential environmental liabilities in connection with emergence from chapter 11 and analyzing the legal issues that may arise from implementation of such strategies. One alternative that the Debtors are evaluating with the assistance of Skadden is the idea of establishing a trust to which some or all of these properties

could be transferred prior to emergence. To date, this concept is still under development and analysis and additional issues still need to be considered prior to deciding to establish such a trust.

146. Furthermore, in connection with the ongoing claims review, Skadden has assisted the Debtors in analyzing various environmental claims that have been filed against the Debtors. In addition, Skadden assisted the Debtors with analysis and review of environmental conditions associated with the Debtors' properties in certain states, and developing provisions for resolving potential environmental liabilities in connection with possible property sales, lease rejections, or other transactional agreements. Finally, Skadden advised the Debtors in connection with a settlement with the state of New Jersey's environmental agency for environmental remediation at the Debtors' former battery manufacturing facility in New Brunswick, New Jersey, which the Debtors sold to JCI pursuant to a Transfer Agreement dated May 26, 2006 and pursuant to which Delphi Automotive Systems LLC committed to remediate the New Brunswick facility. In addition, Skadden assisted the Debtors in preparing a notice of that settlement and serving that notice on certain stakeholders as required under the Settlement Procedures Order.

147. In connection with the foregoing services, Skadden expended 196.3 hours during the Application Period for which Skadden seeks compensation of \$129,158.⁴⁴ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-20. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Kenneth Berlin	\$770	118.5	\$91,245
John A. Amodeo	\$580	27.4	\$15,892

⁴⁴ This compares to \$163,396, or 1.8%, of the total fees requested in Skadden's first interim fee application for this matter and \$140,142, or 1.2%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Ron E. Meisler	\$540	20.3	\$10,962
Marian P. Wexler	\$770	4.9	\$3,773
Joseph N. Wharton	\$485	3.3	\$1,601
Kathy Zambrano	\$410	3.6	\$1,476
Paraprofessional Total		18.3	\$4,209
Total		196.3	\$129,158 (1.3%)
Voluntary fee accommodation excluded from total:			\$8,914

Matters Under \$100,000

U. Leases (Real Property)

148. The Debtors are lessors or lessees with respect to approximately 90 leases of real property. During the Application Period, Skadden worked closely with the Debtors on matters related to such real property leases including (a) reviewing the Debtors' existing leases and negotiating the renewal of certain leases, (b) reviewing proposed new leases and negotiating entry into certain new leases, and (c) conducting negotiations for the Debtors relating to the rejection of leases and other matters concerning the disposition of the Debtors' nonresidential real property leases.

149. In addition, during the Application Period, Skadden prepared notices to implement the Debtors' business decisions relating to (a) entering into and renewing certain real property leases pursuant to the order entered by this Court approving procedures for entering into or renewing real property leases and (b) the disposition of certain real property leases pursuant to the order entered by this Court approving procedures for the rejection of real property leases. In particular, the Debtors entered into or renewed eight leases and rejected one lease during the Application Period. Moreover, the Debtors, with the assistance of Skadden, are evaluating the consolidation of certain sites in Michigan, Illinois, and Pennsylvania in order to, among other

things, improve efficiency of operations and lower the overall costs related to maintaining these various sites.

150. Furthermore, in October 2005, Orix Warren, LLC ("Orix") was the only lessor to file an objection to the Debtors' motion to extend the deadline to assume or reject leases under section 365(d)(4). Orix's objection was subsequently resolved, although only temporarily, as memorialized in the Order Pursuant to 11 U.S.C. § 365(d)(4) Extending Deadline to Assume Or Reject Unexpired Leases of Nonresidential Real Property entered by the Court on November 29, 2005 (Docket No. 1345). Specifically, Orix agreed to the eighteen-month extension applicable to all non-residential real property leases subject to its right, on or prior to October 1, 2006, to file a notice of objection if it was opposed to the final six months of the extension. In the event of such an objection, the burden would shift back to the Debtors to show cause for the last six months of the extension. On September 21, 2006, Orix filed a notice of a supplemental objection to the extension under section 365(d)(4) of the Bankruptcy Code of the Debtors' deadline to assume or reject the unexpired lease of nonresidential real property in Warren, Ohio (Docket No. 5178). During the Application Period, the Debtors, with the assistance of Skadden, began reviewing its anticipated course of action in connection with the Orix lease to determine the best course of action with respect to this matter.

151. In connection with the foregoing services, Skadden expended 169.0 hours during the Application Period for which Skadden seeks compensation of \$81,111.⁴⁵ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit

⁴⁵ This compares to \$143,190, or 1.6%, of the total fees requested in Skadden's first interim fee application for this matter and \$290,834, or 2.6%, of the total fees requested in Skadden's second interim fee application for this matter.

D-21. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Catherine E. Danz	\$465	101.6	\$47,245
Marian P. Wexler	\$770	18.9	\$14,553
M. Janine Jjingo	\$335	15.2	\$5,092
Ron E. Meisler	\$540	7.0	\$3,780
Allison V. Herriott	\$375	5.3	\$1,987
Kayalyn A. Marafioti	\$795	2.3	\$1,829
Randall G. Reese	\$465	3.9	\$1,814
Joseph N. Wharton	\$485	3.4	\$1,649
Kellan Grant	\$410	3.0	\$1,230
Paraprofessional Total		8.4	\$1,932
Total		169.0	\$81,111 (0.8%)
Voluntary fee accommodation excluded from total:			\$13,442

V. Executory Contracts (Personalty)

152. The Debtors estimate that, as of the Petition Dates, they were parties to 347,000 scheduled executory contracts and unexpired leases, which collectively involve billions of dollars of liabilities. During the Application Period, Skadden worked closely with numerous internal and external representatives and employees of the Debtors to coordinate the review of various executory contracts and, together with the Debtors' senior management and business advisors, to evaluate contracts and leases for assumption or rejection. To conduct the analysis, Skadden participated in meetings with the Debtors' business personnel regarding appropriate proration of invoices and postpetition payment obligations. Moreover, Skadden participated in numerous meetings and teleconferences with contract counterparties regarding contractual matters, termination notices, and other issues. Also, the Debtors, with the assistance of Skadden,

responded to numerous requests from counterparties to compel the assumption or rejection of their contracts.

153. In connection with the foregoing services, Skadden expended 160.4 hours during the Application Period for which Skadden seeks compensation of \$69,027.⁴⁶ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-22. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
M. Janine Jjingo	\$335	41.2	\$13,803
Ron E. Meisler	\$540	25.4	\$13,716
Kellan Grant	\$410	32.9	\$13,489
Kathy Zambrano	\$410	15.6	\$6,396
Brian M. Fern	\$485	13.1	\$6,354
Joseph N. Wharton	\$485	12.9	\$6,257
Thomas J. Matz	\$560	6.6	\$3,696
Michael W. Perl	\$375	8.6	\$3,225
Venera E. Ziegler	\$510	4.1	\$2,091
Total		160.4	\$69,027 (0.7%)
Voluntary fee accommodation excluded from total:			\$30,683

W. Liquidation / Feasibility

154. During the Application Period, Skadden assisted the Debtors and FTI in the beginning stages of preliminary liquidation analyses, which the Debtors anticipate will ultimately be required in connection with a plan of reorganization. Skadden conducted legal research in connection with these liquidation analyses and participated in conference calls with FTI during

⁴⁶ This compares to \$153,055, or 1.7%, of the total fees requested in Skadden's first interim fee application for this matter and \$38,078, or 0.3%, of the total fees requested in Skadden's second interim fee application for this matter.

the process. In addition, during the Application Period, Skadden assisted the Debtors in analyzing issues related to the potential substantive consolidation of the Debtors' estates in connection with a plan of reorganization.

155. In connection with the foregoing services, Skadden professionals expended 96.9 hours during the Application Period for which Skadden seeks compensation of \$41,946.⁴⁷ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-23. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Randall G. Reese	\$465	52.5	\$24,413
Allison V. Herriott	\$375	42.3	\$15,863
Kayalyn A. Marafioti	\$795	2.1	\$1,670
Total		96.9	\$41,946 (0.4%)
Voluntary fee accommodation excluded from total:			\$1,274

X. Global Subsidiaries (Non-U.S.)

156. During the Application Period, Skadden devoted time advising the Company on matters relating to its non-U.S. global subsidiaries including divestitures, commercial and corporate transactions, and cash management matters that have arisen in the Company's overseas operations. In connection with these matters, Skadden attorneys reviewed the structure of certain of the transactions from a corporate and bankruptcy perspective and advised the Debtors global management accordingly. Furthermore, during the Application Period, Skadden and the Debtors engaged in analyses regarding several discrete issues involving

⁴⁷ Skadden did not request compensation or reimbursement for this matter in its first or second interim fee applications.

their global subsidiaries including analyzing ongoing U.K. pension issues related to a branch office owned by an Affiliate Debtor.

157. In connection with the foregoing services, Skadden expended 48.7 hours during the Application Period for which Skadden seeks compensation of \$32,906.⁴⁸ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-24. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
N. Lynn Hiestand	\$835	22.4	\$18,704
Christian Pilkington	\$540	21.2	\$11,448
Ron E. Meisler	\$540	5.1	\$2,754
Total		48.7	\$32,906 (0.3%)
Voluntary fee accommodation excluded from total:			\$17,905

Y. Intellectual Property

158. Throughout the Application Period, Skadden provided legal advice regarding bankruptcy-related issues affecting the Debtors' intellectual property – particularly patents and licenses. In particular, Skadden devoted time to reviewing and advising the Debtors with respect to the relevant terms affecting intellectual property rights implicated in the agreement for the sale of substantially all of the assets of Affiliate Debtor, MobileAria, Inc. In addition, in connection with a patent infringement case, Skadden professional devoted time to researching and analyzing legal issues related to the nature of claims that could be asserted should the Debtors not prevail at trial. Finally, Skadden professionals provided general advice to the

⁴⁸ This compares to \$330,534, or 3.6%, of the total fees requested in Skadden's first interim fee application for this matter and \$205,234, or 1.8%, of the total fees requested in Skadden's second interim fee application for this matter.

Debtors with respect to certain bankruptcy implications to ordinary course commercial licensing agreements.

159. In connection with the foregoing services, Skadden expended 65.9 hours during the Application Period for which Skadden seeks compensation of \$32,050.⁴⁹ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-25. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Brent M. Houston	\$375	33.0	\$12,376
Stuart D. Levi	\$785	14.4	\$11,304
John Ubani	\$440	16.2	\$7,128
Ron E. Meisler	\$540	2.3	\$1,242
Total		65.9	\$32,050 (0.3%)
Voluntary fee accommodation excluded from total:			\$5,048

Z. Real Estate (Owned)

160. Skadden assisted the Debtors in reviewing the Debtors' owned real estate. Indeed, Skadden worked closely with employees of the Debtors in coordinating matters related to the Debtors' owned real estate, including (a) resolving claims related to real property issues including statutory liens, (b) advising the Debtors on the disposition of real estate assets generally, and (c) analyzing tax and environmental issues. These issues required numerous meetings with the Debtors' real estate and facilities personnel.

⁴⁹ This compares to \$22,186, or 0.2%, of the total fees requested in Skadden's first interim fee application for this matter and, \$65,656, or 0.6%, of the total fees requested in Skadden's second interim fee application for this matter.

161. In connection with the foregoing services, Skadden expended 56.3 hours during the Application Period for which Skadden seeks compensation of \$31,005.⁵⁰ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-26. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Marian P. Wexler	\$770	26.8	\$20,636
Lisa B. Diaz	\$295	19.7	\$5,812
Catherine E. Danz	\$465	9.8	\$4,557
Total		56.3	\$31,005 (0.3%)
Voluntary fee accommodation excluded from total:			\$1,176

AA. Employee Matters (Pension)

162. Skadden assisted the Debtors during the Application Period in connection with bankruptcy and restructuring matters related to the Debtors' seven defined benefit pension plans covered by termination insurance programs administered by the PBGC. Among other things, during the Application Period, Skadden communicated with the PBGC regarding pension matters and responded to certain diligence requests regarding the pension plans. In addition, during the Application Period, Skadden assisted the Debtors in connection with the filing of their Form 5330 relating to certain excise taxes that could potentially be imposed for failure to make minimum funding contributions toward the Debtors' pension plans.

⁵⁰ This compares to \$63,413, or 0.7%, of the total fees requested in Skadden's first interim fee application for this matter and \$44,502, or 0.4%, of the total fees requested in Skadden's second interim fee application for this matter.

163. In connection with the foregoing services, Skadden expended 66.6 hours during the Application Period for which Skadden seeks compensation of \$28,202.⁵¹ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-27. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Michael W. Perl	\$375	55.7	\$20,888
Kayalyn A. Marafioti	\$795	5.6	\$4,452
Ron E. Meisler	\$540	5.3	\$2,862
Total		66.6	\$28,202 (0.3%)
Voluntary fee accommodation excluded from total:			\$9,319

BB. Asset Dispositions (Real Property)

164. During the Application Period, Skadden advised the Debtors regarding the potential sale of certain excess real property assets. In particular, Skadden advised the Debtors with regard to the potential sale of real property located in Anaheim, California. Currently, the Debtors, with the assistance of their retained professionals, are soliciting offers for this property. In connection with this effort, Skadden assisted the Debtors with drafting sale disclosure materials, analyzing environmental matters, reviewing purchase agreements, evaluating the offers received, and developing a strategy to maximize value for all stakeholders. In addition to the Anaheim disposition, during the Application Period, Skadden also continued to assist the Debtors with advice regarding the potential disposition of real property in southeastern Michigan.

⁵¹ This compares to \$58,190, or 0.5%, of the total fees requested in Skadden's second interim fee application for this matter. Skadden's first interim fee application did not request any compensation for this matter.

165. In connection with the foregoing services, Skadden expended 30.8 hours during the Application Period for which Skadden seeks compensation of \$21,490.⁵² Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-28. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Marian P. Wexler	\$770	23.5	\$18,095
Catherine E. Danz	\$465	7.3	\$3,395
Total		30.8	\$21,490 (0.2%)
Voluntary fee accommodation excluded from total:			\$876

CC. Customer Matters (General)

166. During the Application Period, Skadden assisted the Debtors by, among other things, responding to questions and working with the Company to address issues arising in connection with potential settlements with customers, collection of outstanding accounts receivable, and outstanding warranty issues. Skadden assisted the Debtors by facilitating negotiations with the customers and working with the Debtors as they reconcile their books and records.

167. In connection with the foregoing services, Skadden expended 31.2 hours during the Application Period for which Skadden seeks compensation of \$15,305.⁵³ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit

⁵² This compares to \$36,866, or 0.4%, of the total fees requested in Skadden's first interim fee application for this matter and \$14,196, or 0.1%, of the total fees requested in Skadden's second interim fee application for this matter.

⁵³ This compares to \$72,901, or 0.8%, of the total fees requested in Skadden's first interim fee application for this matter and \$9,186, or 0.1%, of the total fees requested in Skadden's second interim fee application for this matter.

D-29. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Randall G. Reese	\$465	20.8	\$9,673
Brian M. Fern	\$485	7.6	\$3,686
John K. Lyons	\$695	2.8	\$1,946
Total		31.2	\$15,305 (0.2%)
Voluntary fee accommodation excluded from total:			\$710

DD. Utilities

168. During the Application Period, Skadden occasionally received correspondence related to utility issues and Skadden reviewed and responded to these correspondences. In addition, during the Application Period, Skadden assisted the Debtors in negotiating a mutually agreeable resolution to a particular utility arrangement.

169. In connection with the foregoing services, Skadden expended 37.0 hours during the Application Period for which Skadden seeks compensation of \$13,398.⁵⁴ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-30. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
M. Janine Jjingo	\$335	17.0	\$5,696
Ron E. Meisler	\$540	6.4	\$3,456
Kellan Grant	\$410	4.8	\$1,968

⁵⁴ This compares to \$295,549, or 3.2%, of the total fees requested in Skadden's first interim fee application for this matter and \$192,060, or 1.7%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Lisa B. Diaz	\$295	3.9	\$1,151
Paraprofessional Total		4.9	\$1,127
Total		37.0	\$13,398 (0.1%)
Voluntary fee accommodation excluded from total:			\$2,195

EE. Insurance

170. During the Application Period, Skadden assisted the Debtors in connection with the extension and renewal of the Debtors' casualty insurance program. Skadden assisted the Debtors in analyzing the conditions requested by each prospective insurer and negotiated terms of the prospective renewal insurance programs. In addition, during the Application Period, Skadden assisted the Debtors in analyzing their director and officer insurance policies, including, without limitation, reviewing what expenses may be counted when calculating the deductible component under the policies.

171. In connection with the foregoing services, Skadden professionals expended 21.4 hours during the Application Period for which Skadden seeks compensation of \$11,417.⁵⁵ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-31. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Albert L. Hogan III	\$620	5.2	\$3,224
Brian M. Fern	\$485	5.5	\$2,668
Ron E. Meisler	\$540	3.9	\$2,106

⁵⁵ This compares to \$83,523, or 0.9%, of the total fees requested in Skadden's first interim fee application for this matter. Skadden's second interim fee application did not request any compensation for this matter.

Name	Rate	Time	Value
Nick D. Campanario	\$465	4.1	\$1,907
Thomas J. Matz	\$560	2.7	\$1,512
Total		21.4	\$11,417 (0.1%)
Voluntary fee accommodation excluded from total:			\$2,135

FF. Litigation (General)

172. During the Application Period, Skadden was required to devote resources to various litigation matters not within the purview of other billing categories. This activity in this billing category relates to efforts by Skadden to ensure that actions arising out of the everyday operations of the Debtors do not distract the Debtors from their chief goal of successful emergence from chapter 11. Skadden assisted the Debtors in negotiations relating to some of the non-bankruptcy litigation matters. Additionally, Skadden advised the Debtors on various litigation matters relating to non-debtor entities related to Delphi, and Skadden continues to assist the Debtors in monitoring such matters.

173. In connection with the foregoing services, Skadden expended 18.3 hours during the Application Period for which Skadden seeks compensation of \$11,076.⁵⁶ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-32. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

⁵⁶ This compares to \$21,112, or 0.2%, of the total fees requested in Skadden's first interim fee application for this matter and \$33,598, or 0.3%, of the total fees requested in Skadden's second interim fee application for this matter.

Name	Rate	Time	Value
Albert L. Hogan III	\$620	13.8	\$8,556
Kurt Ramlo	\$560	4.5	\$2,520
Total		18.3	\$11,076 (0.1%)
Voluntary fee accommodation excluded from total:			\$35,354

GG. Reports And Schedules

174. The Debtors are required to submit Monthly Operating Reports, which provide detailed information regarding the Debtors' assets, liabilities, and operations on a monthly basis. During the Application Period, Skadden worked with the Debtors' finance and accounting personnel, as well as the Debtors' financial advisors and the U.S. Trustee, to review and file Monthly Operating Reports for the months of May, June, July, and August.

175. In connection with the foregoing services, Skadden expended 13.9 hours during the Application Period for which Skadden seeks compensation of \$8,325.⁵⁷ Detailed time entries of each Skadden professional related to these services are attached hereto as Exhibit D-33. A summary of the hours incurred and value of the services performed by each professional is provided in the following table:

Name	Rate	Time	Value
Thomas J. Matz	\$560	11.6	\$6,496
Kayalyn A. Marafioti	\$795	2.3	\$1,829
Total		13.9	\$8,325 (0.1%)
Voluntary fee accommodation excluded from total:			\$4,842

⁵⁷ This compares to \$187,152, or 2.0%, of the total fees requested in Skadden's first interim fee application for this matter and \$22,844, or 0.2%, of the total fees requested in Skadden's second interim fee application for this matter.

Relief Requested

176. Skadden has submitted monthly fee statements for the period from June 1, 2006 through September 30, 2006, and in accordance with the Interim Compensation Order now submits this Interim Application covering the Application Period. Based on the firm's customary billing practices, the Debtors ordinarily would be billed a total of \$11,128,986,⁵⁸ for fees and \$959,123 for charges and disbursements. In keeping with Skadden's commitment to self-policing its fees, charges, and disbursements, and based on various accommodations to the Debtors, Skadden voluntarily reduced, as part of its monthly fee statements, its fees by \$1,051,221, or approximately 9.4%, and its charges and disbursements by \$110,891, or approximately 11.6%. As a result, the actual amount billed to the Debtors was \$10,080,789 for fees and \$848,232 for charges and disbursements.

177. Moreover, as an additional accommodation, Skadden has voluntarily reduced the amount sought in this Interim Application by \$52,227 to reflect, among other accommodations, the elimination of (i) fees related to any timekeeper who billed fewer than ten total hours during the Application, (ii) fees related to any timekeeper who billed less than \$1,000 during the Application Period, (iii) fees related to any instance in which a timekeeper billed less than \$1,000 to a particular matter during the Application Period, and (iv) fees related to any matter to which fewer than ten hours were billed during the Application Period. As a result, the actual amount sought herein is \$10,025,538 for fees. This represents a total reduction with respect to fees, charges, and disbursements of \$1,214,339, or approximately 10.0%, from those amounts that Skadden would customarily charge.

⁵⁸ This interim fee application reflects a deduction of \$3,024 to remedy a billing error for one timekeeper.

178. The Interim Compensation Order provides that when seeking interim compensation, professionals must submit monthly fee statements to the Debtors, counsel to the Debtors, the U.S. Trustee, counsel for the Creditors' Committee, counsel for the agent under the Debtors' prepetition credit facility, counsel for the agent under the Debtors' postpetition credit facility, and members of the Fee Review Committee. Each person receiving a statement has at least 15 days after its receipt to review it. If no objection to a monthly fee statement is made within 45 days after the end of the applicable billing period, the Debtors are authorized to pay 80% of the fees requested (with the remaining 20% of the fees requested referred to herein as the "Holdback") and 100% of the charges and disbursements requested. Skadden has submitted monthly fee statements as described above for each of the months covered by the Application Period.

179. Upon payment by Delphi for the amount owed to Skadden for the Application Period, Skadden will have received \$8,064,632 on account of billed fees and \$848,232 on account of billed charges and disbursements and will have accrued a Holdback in the amount of \$2,016,157.⁵⁹ After application of an additional client accommodation of \$52,227, Skadden is requesting payment of 75% of the Holdback, or \$1,512,118, leaving \$504,039 of the Holdback for this Application Period outstanding, for which Skadden will later seek payment. Skadden submits that payment of three quarters of the Holdback amount for this Application Period upon approval of this Interim Application is an appropriate balance between the interest of

⁵⁹ Skadden's monthly statements for June and July 2006 were submitted on November 19, 2006, and Skadden's monthly statements for August and September 2006 were submitted on November 24, 2006. Pursuant to the Interim Compensation Order, parties receiving the monthly statements have 15 days after receipt of such monthly statements to object to such statements. Therefore, the objection deadline for the June and July monthly statements is December 5, 2006 and the objection deadline for the August and September monthly statements is December 11, 2006.

professionals in receiving prompt payment and the interest of the estates in ensuring reasonable professional compensation and reimbursement for actual or necessary expenses.

A. Allowance Of Professional Fees

180. During the Application Period, professionals at Skadden billed an aggregate of 21,905.9 hours reflected in this Interim Application working on matters concerning the Debtors' Reorganization Cases.⁶⁰ Of such time spent, 4,620.5 hours were spent by partners, 2,387.5 hours were spent by counsel, 11,275.5 hours were spent by associates, and 3,622.4 hours were spent by legal assistants. A summary showing the name and position of each such partner, counsel, associate, and legal assistant, together with that person's date of admission to the bar (as applicable), net hours during the Application Period, and blended hourly billing rate, is provided in the Summary of Services found at the beginning of this Interim Application.⁶¹

B. Reimbursement Of Charges And Disbursements

181. As disclosed in the Retention Application that this Court approved, it is Skadden's standard policy to charge its clients in all areas of practice for certain charges and disbursements incurred in connection with such clients' cases. The charges and disbursements charged to clients include, among others, charges for messenger services, photocopying, court fees, travel expenses, postage, long distance telephone, computerized legal research, investigative searches, and other charges customarily billed by law firms. Certain charges and disbursements are not separately charged for under the bundled rate structure as described in the Engagement Agreement.

⁶⁰ Skadden maintains records of the time it expended in the rendition of all professional services, which time records are made concurrently with the rendition of professional services.

⁶¹ In addition to the matter list, Exhibit C also sets forth the blended hourly rate and certain other business statistics associated with the Reorganization Cases.

182. Skadden has attempted to minimize the charges and disbursements associated with the Debtors' Reorganization Cases, particularly for items such as reproduction and delivery, which have been lowered as a result of the restricted service list and the ability to serve the 2002 List Parties electronically, which Skadden proposed and this Court approved. During the Application Period, Skadden disbursed the following sums for actual and necessary charges and disbursements in the rendition of professional services in the Reorganization Cases, and requests that it be reimbursed therefor:

Charges And Disbursements Incurred⁶²

Travel Expenses.....	\$399,883
Reproduction And Document Preparation.....	\$228,099
Computer Legal Research	\$116,628
Court Reporting	\$51,912
Courier, Express Delivery, And Postage.....	\$19,533
Electronic Document Management	\$12,955
Telecommunications	\$9,802
Outside Research	\$9,153
Filing/Court Fees	\$150
UCC Research/Opinion.....	\$117
TOTAL.....	\$848,232

183. The above charges and disbursements are reasonable and are consistent with those incurred by other bankruptcy practitioners in other large, complex chapter 11 reorganization cases in this and other districts. Moreover, Skadden believes that the unique size and complexity of these cases, including the terms of this Court's case management order, as amended, which require, among other things, overnight delivery of most pleadings, warrant reimbursement of the foregoing charges and disbursements.

⁶² The details relating to the charges and disbursements can be found in Exhibits D-1 through D-34 on a matter by matter basis.

Reasonableness Of Fees, Charges, And Disbursements

184. Under section 330 of the Bankruptcy Code, a Bankruptcy Court may award to a professional employed by the estates "reasonable compensation for actual, necessary services" rendered by the professional, plus "reimbursement for actual, necessary expenses." See 11 U.S.C. § 330(a)(1). See generally In re Cenargo Int'l, 294 B.R. 571 (Bankr. S.D.N.Y. 2003); In re Childworld, Inc., 185 B.R. 14 (Bankr. S.D.N.Y. 1995).

185. In determining the amount of "reasonable compensation," the Court must consider the nature, extent, and value of the services, taking into account all the relevant factors, including the time spent on such services, the rates charged for such services, whether the services were necessary and beneficial, whether the services were performed in a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed, and whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code. See 11 U.S.C. § 330(a)(3).

186. In assessing attorneys' fees, courts use several different approaches. The Second Circuit and bankruptcy courts in this district frequently utilize the "lodestar" method, which is a determination as to the number of hours of service reasonably devoted to the case multiplied by the attorney's reasonable rates. See Savoie v. Merchants Bank, 166 F.3d 456, 460 (2d Cir. 1999) (applying lodestar approach to non-bankruptcy case); In re Masterwear Corp., 233 B.R. 266, 277 (Bankr. S.D.N.Y. 1999). When applying the lodestar approach, courts in this district incorporate the familiar factors set forth in Johnson v. Georgia Highway Express, 488

F.2d 714 (5th Cir. 1974).⁶³ See, e.g., Betancourt v. Giuliani, 325 F. Supp. 2d 330, 332 (S.D.N.Y. 2004) ("In adjusting the lodestar, courts generally consider the . . . factors set forth in Johnson v. Georgia Highway Express, Inc."); In re Sucre, 226 B.R. 340, 351-52 (Bankr. S.D.N.Y. 1998) ("To determine the 'lodestar fee' the Court must make an initial objective determination as to the number of hours reasonably expended and the reasonable hourly rate After multiplying the two, the Court may adjust the product by a consideration of [the Johnson] factors.")

187. In awarding attorneys' fees, courts will also consider whether the services rendered were reasonably likely to benefit the debtor's estate. See, e.g., In re Ames Dep't Stores, Inc., 76 F.3d 66, 71 (2d Cir. 1996), rev'd on other grounds, Lamie v. United States Trustee, 540 U.S. 526 (2004); In re Granite Partners, L.P., 213 B.R. 440, 447 (Bankr. S.D.N.Y. 1997); In re Drexel Lambert Group, Inc., 133 B.R. 13, 22 (Bankr. S.D.N.Y. 1991). Thus, the Court should focus on what a reasonable lawyer would have done at the time and not invoke a hindsight analysis.

[I]t is important for a court to maintain a sense of overall proportion and not become enmeshed in meticulous analysis of every detailed facet of the professional representation. It is easy to speculate that the work could have been done in less time or with fewer attorneys or with an associate rather than a partner. On the other hand, it is also possible that [the debtor] would not have enjoyed the success it did had its counsel managed matters differently.

In re Boston & Maine Corp., 776 F.2d 2, 10 (1st Cir. 1985) (citations omitted).

188. In accordance with the factors enumerated in 11 U.S.C. § 330 and applicable case law, the amount requested herein by Skadden is fair and reasonable, in light of:

(a) the nature of the Reorganization Cases, (b) the novelty and complexity of the Reorganization

⁶³ The twelve Johnson factors are (1) the time and labor required, (2) the novelty and difficulty of the questions, (3) the skill requisite to perform the legal service properly, (4) the preclusion of other employment by the attorney due to acceptance of the case, (5) the customary fee, (6) whether the fee is fixed or contingent, (7) the time limitations imposed by the client or the circumstances, (8) the amount involved and the results obtained, (9) the experience, reputation, and ability of the attorneys, (10) the "undesirability" of the case, (11) the nature and length of the professional relationship with the client, and (12) awards in similar cases. Johnson, 488 F.2d at 717-19.

Cases, (c) the time and labor required to represent the Debtors effectively, (d) the time limitations imposed by the Reorganization Cases, (e) the nature and extent of the services rendered, (f) Skadden's experience, reputation, and ability, (g) the value of Skadden's services, and (h) the cost of comparable services other than in a case under the Bankruptcy Code.

C. Nature, Complexity, And Duration Of Cases

189. As should be evident from the summary of Skadden's services as described above in this Interim Application, the Debtors' chapter 11 reorganization presents a particularly unique set of circumstances, and unquestionably is a large and complex case. The nature and complexity of the Reorganization Cases has required Skadden to develop case management and staffing solutions at every stage of the proceedings. These tasks have been particularly daunting in light of the Debtors' widespread operations and the relative sophistication of other parties-in-interest in these Reorganization Cases. Skadden nonetheless has assisted the Debtors by employing a streamlined case management structure that generally consists of relatively small, core teams, and has assigned various attorneys to other discrete tasks to avoid the performance of duplicative or unnecessary work.

190. Given the size of these Reorganization Cases and the number of matters that continually need to be addressed simultaneously, there have been occasions when a number of Skadden attorneys must be present and participate in the discussions and negotiations. This is particularly true of meetings with the Creditors' Committee, and the Equity Committee, and also with respect to the monthly omnibus hearings. Skadden believes that, as evident by the summaries contained in this Interim Application and the time entries attached hereto, it has articulated specific reasons for attendance by multiple attorneys on such occasions.

D. Experience Of Skadden

191. The experience of Skadden also has benefited the estates. Skadden is among the largest firms and has one of the largest restructuring groups in the world. As more fully set forth in the Retention Application, Skadden's restructuring attorneys and attorneys from other practice areas have extensive knowledge and experience in dealing with the multitude and fast-paced issues that arise in similar chapter 11 cases. Accordingly, Skadden's depth of experience in chapter 11 matters has ensured that a number of pressing matters could be addressed promptly. In addition, Skadden's commitment to monitoring the administrative expenses of the estates, including its own legal fees, has been a constant element of its representation of the Debtors. Indeed, this emphasis has been manifested in Skadden's careful review of its fees, charges, and disbursements and a voluntary client accommodation of \$1,214,339, including a voluntary aggregate accommodation of \$1,162,112 on Skadden's monthly fee statements and an additional \$52,227 voluntary reduction on this Interim Application.

E. Comparable Services

192. An award of compensation also must be based on the cost of comparable services other than in a bankruptcy case. Skadden's rates are consistent with rate structures charged to other clients in non-bankruptcy matters. Moreover, its rate structure was disclosed clearly in its Retention Application, which this Court approved and as to which none of the major constituents objected. The amounts sought by Skadden are consistent with the fees, charges, and disbursements incurred by other chapter 11 debtors in cases of similar size, complexity, and duration. Accordingly, the cost of comparable services supports the Interim Application, and the

services performed during the Application Period more than warrant the allowance of compensation, particularly in view of the results achieved.

F. Compliance With Guidelines

193. Skadden believes that this Interim Application, together with the attachments hereto, substantially complies in all material respects with the Guidelines and the Debtors have paid all quarterly fees due and payable to the U.S. Trustee to date. To the extent this Application does not comply in every respect with the requirements of such guidelines, Skadden respectfully requests a waiver for any such technical non-compliance.

Notice

194. In compliance with the Fifth Supplemental Order Under 11 U.S.C. § 331 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals, entered by this Court on October 13, 2006 (Docket No. 5310), notice of the filing of this Interim Application will be provided to all parties who have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in these chapter 11 cases. In addition, the Interim Application in its entirety will be served on the following parties: (i) Delphi Corporation, 5725 Delphi Drive, Troy, Michigan 48098, Att'n: David M. Sherbin, Esq., (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, Suite 2100, New York, New York 10004, Att'n: Alicia M. Leonhard, Esq., (iii) counsel for the Creditors' Committee, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022-4802, Att'n: Robert J. Rosenberg, Esq., (iv) counsel for the Equity Committee, Fried, Frank, Harris, Shriver & Jacobson, LLP, One New York Plaza, New York, NY 10004, Att'n: Bonnie Steingart, Esq., (v) counsel for the agent under the Debtors' prepetition credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Att'n:

Kenneth S. Ziman, Esq. and Robert H. Trust, Esq., (vi) counsel for the agent under the Debtors' postpetition credit facility, Davis Polk & Wardell, 450 Lexington Avenue, New York, New York 10017, Att'n: Donald S. Bernstein, Esq. and Brian M. Resnick, Esq., and (vii) the members of the Fee Review Committee and its advisor, Legal Cost Control, Inc., 255 Kings Highway East, Haddonfield, New Jersey 08033, Att'n: John J. Marquess. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

Memorandum Of Law

195. Because the legal points and authorities upon which this Motion relies are incorporated herein, the Debtors respectfully request that the requirement of the service and filing of a separate memorandum of law under Local Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York be deemed satisfied.

WHEREFORE, Skadden respectfully requests that the Court (a) enter an order allowing interim compensation of \$10,025,538 to Skadden for professional services rendered as attorneys for the Debtors during the Application Period, plus reimbursement of actual and necessary charges and disbursements incurred in the amount of \$848,232, (b) authorize and direct the Debtors to pay to Skadden the amount of \$1,512,118 to reduce the Holdback accrued during the Application Period with the remaining Holdback amount of \$504,039 to be held by the Debtors until further order of this Court, and (c) grant it such other and further relief as is just.

Dated: New York, New York
November 30, 2006

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ John Wm. Butler, Jr.
John Wm. Butler, Jr. (JB 4711)
John K. Lyons (JL 4951)
Ron E. Meisler (RM 3026)
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700

- and -

By: /s/ Kayalyn A. Marafioti
Kayalyn A. Marafioti (KM 9632)
Thomas J. Matz (TM 5986)
Four Times Square
New York, New York 10036
(212) 735-3000

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession